Delors' vision of southern comfort, Page 16

Wednesday February 25 1987

D 8523 B

World news

Palestinian Litton and refugees shelled by tanks merger

Shia Moslem Amal militia tanks shelled a Palestinian refugee camp on the southern fringe of Beirut as group, is to merge its oilfield ser-Syrian troops stepped up their hunt for gunmen in West Beirut, taking over militia strongholds and extending their grip on the Moslem sector of the city.

Members of the pro-Iranian Hiz-

bollah (Party of God) protested against the Syrian presence by setagainst the system increased by ser-ting fire to a prison used by the group - and there were reports that hostages might be freed by the extremists. Syrians tighten grip, Page 18

Iranian 'advance'

Iran claimed its troops had broken through Iraqi lines east of Basra, killing or wounding 900 enemy soldiers. Iraq said Iranian heavy artillery had killed and wounded civilians when it shelled Basra for the second day running.

Israeli coalition split Israeli's coalition Government ap-

peared to be close to breaking up over the issue of a Middle East peace conference. Page 5

Philippines debt plan

The Philippines Government is considering a plan to postpone debt rescheduling talks, due to start next week, while it studies Brazil's suspension of interest payments, central bank sources said. Page 5

'Laundering' law

Switzerland unveiled plans to make the practice of "laundering" money - attempting to conceal the criminal origin of a sum of money - a criminal offence. Page 3

Bonn farms warning

West Germany could be forced to limit financial support for the EEC if plans that threatened the existence of West Germany's farmers were not changed. Agriculture Minister Ignaz Kiechle said.

OAU criticism

chief executive criticised member states for failing to act against South Africa and for passively expecting the world to bail them out of their economic problems.

Strike threat lifted

Dutch trade unions lifted a strike threat at Europe's largest container rose that more shippers might switch to other ports.

Racing scandal

Four top Hong Kong businessmen, including the former chairman of the stock exchange, were fined for breaching horse-racing rules by placing bets on unauthorised information they received from jockeys.

Sandoz pollution bill

Swiss chemical company Sandoz said it would spend SFr 2m (\$1.3m) on replacing fish stocks in the Rhine, destroyed when a fire at its

Basie plant polluted the river.

16 hurt in gas cloud A cloud of hydrochloric gas re-leased after a chemical plant fire in Alphen aan de Rijin, about 12 miles cording to Thomas Wegscheider, east of The Hague, injured 16 peo-BfG's chief executive, Page 19

US corn for Soviets

A senior Soviet official said his Government had bought just over 1m tonnes of US corn, breaking a long freeze on purchases of US grain.

Henry Heinz II dies

Henry J Heinz II, chairman of the food company, philanthropist and honorary Knight of the British Empire, died in Florida aged 78.

Business summary

No. 30,169

Dresser in oil service

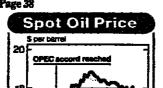
vices operations with the well-log-ging division of Dresser Industries, energy industry supplier. The com-bined company will have revenues of \$550m and 6,500 employees initially. Page 19

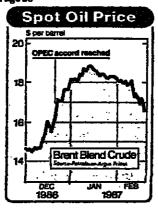
DEERE, world's largest manufacturer of farm equipment, reported a net loss of \$192.6m in the first quarter to January when all its main US factories were crippled by a work shortage. Page 25

WALL STREET: The Dow Jones industrial average closed up 6.74 at 2.223.28. Page 38

LONDON: Portfolio buy programmes helped to reverse early losses and the FT Ordinary index rose 2.3 to 1,559.2 while the FT-SE 100 index gained 7.1 to 1,946.8. Gilts made good progress in low volume.

TOKYO: Large-capital stocks came back into favour and share prices closed sharply higher. The Nikkei average gained 125.96 to 20,076.48.





OIL: Crude prices came under renewed pressure amid uncertainty over whether OPEC would be able to maintain price discipline among members. In London, Brent crude closed down 52.2 cents at \$16.40. Commodities, Page 30.

GOLD fell \$2 to \$401.75 on the London bulkion market. It also fell in Zurich to \$402.00 (\$403.75). In New the common wish, expressed last Gen Rogers said that the US had Gen Galvin's nomination for the European members of Nato and Lord Carrington, as commander of its forces in European military job is expected by the end of this week.

Gen Galvin's nomination for the European members of Nato and Lord Carrington, as commander of its forces in European military job is expected by the end of this week. The Organisation of African Unity's York the April Comex settlement was \$404.60. Page 36

> DOLLAR closed in New York at DM 1.8313; SFr 1.5465; FFr 6.0965 and Y153.725. It rose in London to DM 1.8340 (DM 1.8300); to FFR 6.1050 (PFr 6.0925); to SFr 1.5500 (SFr 1.54801); and to Y153.70 (Y153.85). On Bank of England figures the dollar's index was unchanged at 104.1.

> STERLING closed in New York at \$1.539. It fell in London to \$1.5400 (\$1.5425); and to Y236.75 (Y237.00); but rose to DM 2.8250 (DM 2.8225) to FFr 9.4925 (FFr 9.3975); and to SFr 2.3875 (SFr 2.3850). The pound's exchange rate index rose 0.2 to 69.9.

> SECURITY Pacific Los Angelesbased bank holding company, has taken a further step in its rapid regional expansion with an agreed takeover of Rainier Bancorporation of Seattle in an all share deal worth

> RANK für Gemeinwirtschaft, formerly controlled by West Germany's trade union movement, had a "very unusual and temporarily turbulent" year in 1986 owing to the Neue Heimat affair and speculation about its ultimate ownership, ac-

> BANCO Espanol de Credito, the bank with the largest branch network in Spain, reassured shareholders that it had overcome difficulties within the group that caused it to set aside all of its earnings for last year. Page 20

> ESAB, world's leading manufacturer of welding equipment, showed a 26 per cent fall in profits after financial items to SKr 150m (\$23m), compared with SKr 204m in 1985.

German coalition agrees DM 44bn tax reform plan

WEST GERMANY'S governing coalition partners yesterday resolved a prolonged policy battle by agreeing on a DM 44bn tax reform package to be enforced in 1990.

Major cuts will be made in corporate tax and in the top marginal rate of tax, and the rate at which people start paying tax will be sharply lowered.

The agreement, fought over by the three coalition parties for more than three weeks, comes just days after Bonn promised at the western finance ministers' meeting in Paris to cut taxes to stimulate the econo-

Mr Gerhard Stoltenberg, the Finance Minister, said he was aiming for a net tax cut of DM 25bn and, in a surprise move announced that if both houses of parliament agreed, the reform would be made in one step and not two as previously ex-Mr Stoltenberg and the secreta-

ries-general of the three parties -Chancellor Helmut Kohl's Christian Democrats (CDU), its Bavarian sister, the Christian Social Union (CSU), and the liberal Free Democrats (FDP) - outlined cuts which they said would cost the state nearly DM 19bn.

A Finance Ministry official con-

agreed yesterday included:

Lowering the tax "entry" rate from 22 per cent to 19 per cent, which will cost DM 7bn.

● A rise in basic tax allowances from DM 4,536 to DM 5,616 for single people and from DM 9,072 to DM 11,232 for married people, which involves relief costing an-

● Raising the child allowance by DM 540 to DM 3,024, to cost DM • A cut in the top marginal rate of

tax from 56 per cent to 53 per cent, to cost DM 1bn ● A sharp drop in corporate tax, from 58 to 50 per cent, which would

cost the state DM 2.3hm.

Cuts worth a further DM 5bn are understood to be contained in a socalled Mittelstand component - a series of relief measures, including more generous depreciation rules. being pieced together mainly for small and medium-sized busi-nesses. Most of these businesses pay the top rate of income tax and not corporate tax.

Yesterday's agreement is a conpaign in last month's general elec- of a current tax cut is due. tion with promises to high earners and entrepreneurs that it would cut

firmed that the provisional package agreed yesterday included: their taxes. It ran into opposition from the CDU after the election, mainly because the Chancellor's party did badly and began to fear upsetting working class voters.

> The agreement to lower the bottom rate to 19 per cent is a sop to the CDU.

The DM 18.9bn cuts, plus the DM 6bn provisionally planned for medium-sized businesses, come close to the DM 25bn which Mr Stoltenberg said was the net relief targeted in his reform. Most of the remaining DM 19bn which makes up the overall reform will take the form of subsidy cuts and consumer tax in-creases designed to simplify taxation and to finance the net cuts.

Financing negotiations will not begin for a while, and they are likely to be even more bitter than the previous three weeks. The FDP wants to finance the reform almost completely through cuts in subsidies, a view strongly opposed by the

Mr Stoltenberg repeated yester-day that some of the cuts planned for 1990 would be brought forward siderable political success for the to January 1 next year, when the FDP, which spearheaded its cam- second step, worth nearly DM 9hn,

Rogers forced to step down as Nato chief

BY DAVID BUCHAN IN MONS

His likely successor as America's

top soldier in Europe is widely expected to be General John Galvin, head of the US Southern Command based in Panama. The Nato announcement reflected the decision by President Ronald

Reagan not to reappoint 65-year-old Gen Rogers to a fifth term as commander of the 320,000 US troops in Europe. The post traditionally car-ries with it the job of Supreme Allied Commander in Europe (Saceur). Washington's European allies wanted the experienced Gen Rog-

Allied Commander in Europe.

The decision was taken against the common wish, expressed last Gen Rogers said that the US had August, of all 15 European memand it ha

> House sensitivity to his open criticism of certain US arms control proposals, such as reducing medium-range nuclear missiles in Euum-range nuclear missiles in Eu-rope to zero and his recent call for a siveness of the alliance," he said. reform of the US joint chiefs of

NATO yesterday announced, with great regret," the departure in June of General Bernard Rogers after a record eight years as Supreme in the White House. Sin leave a regional command that in an interview yesterday at his has a key role to play in Washington's Central American strategy. Gen Galvin's nomination for the

> younger man "an innings." He was support was based on the view that looking forward to an active retirefor the alliance, with renewed calls He agreed, however, that White for US troop withdrawals and elections in the UK. France and the US. things are often said which are not

"Transatlantic relations are not as staff structure might have contrib-uted to his removal. they should be if one wants to dis-play unity to the Soviet Union. play unity to the Soviet Union.

Washington's delay in announcing a changeover of Saceur – which had been rumoured for some upset with the which had been rumoured for some upset with the whole the wh months - is believed to be due to do not try to sugarcoat candid ex-strong European urging that Gen pressions of views," he said.

control industry

By Patrick Cockburn in Moscow

He said that, since the centrally directed quality control orga-nisation Gospriomka started work at the beginning of the year, one third of the enterprises involved failed to meet their planned targets for January. Mr Yeltsin said that, in one pump factory, output slumped to only 37 per cent of its January target cuse of the new controls.

One in every six of Moscow's enterprise targets for profitabili-ty were missed, he said and a number of those which had started operating on a self-financing basis were on the verge of bankruptcy, including a large ballbearing factory. Others were crideised for covering current costs by borrowing from the state hank teed of investing in new

Overall 1986 figures for Moscow and the rest of the country were above target, with industri-al output up 4.6 per cent. Never-theless, Mr Yelisin said, "Theflew of complaints about the low

Banks adopt

Quality hits Soviet

THE introduction of tougher quality control has hit industrial output in Moscow, the Soviet Union's largest manufacturing centre, according to Mr Boris Yeltsin, who is head of the capital's Communist Party and con-sidered one of the most radical members of the Soviet leader-

Although he was citing figures for only 59 enterprises, the impact of the new controls, together with this winter's very cold weather, probably explains why Soviet output as a whole fell in January compared to end of the

outspoken of the new leaders ap-pointed by Mr Mikhail Gorbachev, gave details in a speech to the Moscow party of some of the difficulties facing Soviet industry as economic reforms are intro-

Continued on Page 18

tough line on Brazil's debt

BY ALEXANDER NICOLL AND ROBERT GRAHAM IN LONDON

BRAZIL'S main creditor banks have reacted firmly to the country's suspension of interest payments. Despite their attitude of studied calm, they are taking a tough line over Brazil's move last Friday which affects the SRRbn owed to banks out of the nation's \$104bn for-

eign debt.
The banks complain they have been singled out from other creditors, in contrast with similar actions, such as Mexico's halt of princ- ency with which Brazil had to deal ipal payments in 1982 which applied to all creditors alike. The banks' views were being put

at a meeting in New York yesterday to Mr Antonio de Padua Seixas, director of external debt manage need new financing and it will have ment at Brazil's central bank, by to be built on an economic promembers of the advisory committee of banks chaired by Citicorp. The meeting yesterday was the first Secretary, told a senate subcommit-contact between the foreign credi-tee he regretted Brazil's move but tor banks and Brazilian officials that the US considered the action since President Jose Sarney's unilateral action, although the advisory committee had already begun analysing the situation on Monday.

The banks were also likely to say that a complete suspension of interest payments was unnecessary at this stage. Brazil could have shown greater goodwill, they believe, by giving an assurance that it would try, in good faith, to make whatever interest payments its depleted foreign exchange reserves would al-

The banks were also expected to object to the unilateral nature of the action. Bankers note that a similar previous measure, when Bra-zil's foreign payments were central-ized in 1983, was taken in consultation with the advisory committee.

The banks concerns undermine whatever reassurance they might take from Brazil's expressions of a lesire for negotiation rather than confrontation. Bankers have emphasised their strong reluctance to enter any agreement with Brazil unless it adopts an economic adjust-ment programme backed by the In-ternational Monetary Fund.

Senior bankers underlined yesterday that the calm reaction to Brazil's move should not mask their concern and their desire for an orderly resolution.

crisis over the past five years "has March. had the unfortunate effect of dulling a sense of urgency and co-oper- shares stabilised after falling ation in dealing with the remaining sharply on Monday

Mr Volcker told a congressional committee that the suspension of interest payments showed the urg-

Foreign bankers in Argentina admit that the crisis in Brazil will cause problems in the renegotiation of Argentina's foreign debt. But government officials deny that there will be any "joint action" between Brazil and Arg-entina, although consultations are said to be taking place. Page 18

with its economic difficulties. How-ever, he added later that there was no reason why Brazil should not have a trade surplus sufficient to service its debt. "Clearly they will need new financing and it will have gramme," be said.

Mr James Baker, US Treasury tee he regretted Brazil's move but temporary. He was confident Brazil and the banks would resolve the situation and that it would not spread to other countries.

Meanwhile, Argentina is due to meet its creditor banks in New York today to continue discussions on the country's request for a \$2.15bn loan and \$30bn in debt rescheduling. The Argentine side is being lead by Mr Mario Broder-sohn, the Finance Secretary, who has spent the past two days in Brasilia discussing debt strategy with Brazilian officials.

The idea of joint Argentine-Brazilian action is being played down, although there were signs that Brazil's move last week has hardened Argentina's stance.

Bankers believed the climate of the meeting today would not be adversely affected by the developments in Brazil, in spite of the tougher Argentine position. Mr Baker referring to Argentina,

said the Government had "given every indication they want to handle their debt problem in a moderate manner." Underlining the crucial timing of

Brazil's move, Venezuela's talks with banks on new resche terms were due to start in New York yesterday, Chile's advisory The urgency of the situation was committee was continuing a long also emphasised yesterday by Mr meeting on the country's new loan Paul Volcker, US Federal Reserve and rescheduling request, and the Board chairman, who said that Philippines is due to begin talks on progress in dealing with the debt new rescheduling terms in early

On Wall Street yesterday, bank

Risks for foreign banks in Latin America, Page 4; Philippines debt problems, Page 5

ers to stay for a further two years to **UK** moves to curb trade unions in tough pre-election package

BY PHILIP BASSETT, LABOUR EDITOR, IN LONDON

proposals for trade union reform in edged would be likely to give the Conservatives advantage in a forth-coming general election.

The proposals - the Govern-ment's fourth package of employ-ment law reforms - include effectively ending enforced unionised employment, giving union members the right to work regardless of a lawful strike and insisting that all union elections be by secret postal

bers, provoked heated opposition from Labour MPs in the House of Commons and angry charges from the unions that it was simply an electoral move.

Mr Kenneth Clarke, Paymaster

Announcement of the discussion

paper, Trade Unions and Their

THE BRITISH Government yester mons that industrial relations progday announced a new package of ress based on the Government's

> ing."
>
> But he said that "some unions had declined the opportunity to put their house in order, and union members have not always felt able to take a stand and ensure that abuses are corrected.

"It is therefore clear that we now need to take another step both to strengthen the rights of individuals within a union and to reinforce the ability to exercise those rights. The discussion or 'green' paper is much tougher, more definite, more extensive and more radical than La-

bour and the unions had been ex-Much of it covers ground dealt nised employment and on union election ballots - should be repealed and much tougher provisions intro-

Significantly in the light of charges against previous moves that they have been not properly substantiad, the paper includes extensive examples of union practice and alleged irregularities, especially those since the passing of the Government's last piece of legisla-

tion, the 1984 Trade Union Act Mr Clark said he thought the Government would gain electoral advantage from the proposals: "I these proposals become the subject of electoral controversy then the bulk of the public will agree with us." If they led to an argument,

Continued on Page 18 Editorial comment, Page 16

some of it takes the unusual step of General, told the House of Com- a government suggesting that its Afghanistan: Gorbachev counts the poli-HOW CRAXI **ITALY'S**



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NATIONAL

Prime Minister Bettino Craxi's

decision to withdraw from the

monetary discussions in Paris is

typical of a new assertiveness in

Italian foreign policy, Page 2

DIGNITY

tical cost 3 Peru: Garcia's struggle to clean up the Government's act 4 South Africa: miners' grievances run Technology: what lies behind the DAT revolution 10 Editorial comment: trade union legislation; mid-life crisis in Ottawa 16 Future of the EEC: Delors' vision of

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Greenwich 17

Lex: Elders' bid for Carling; NatWest;

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MGAPORE

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THE RAPID changes taking each in annual advertising replace in French television are venues. expected to have a major impact on the country's adver-

country's new private networks.
While about FFr L2bn—
FFr L3bn could come from increases in advertising budgets the remainder will probably have to be diverted from magazine, newspaper and other

advertising.
The decision of the French communications commission to grant the concession to operate the country's sixth channel to a consortium called Metropole TV led by the Luxembourg CLT broadcasting group and the Lyonnais des Eaux water utility is expected to intensify competition for French television

The three private networks will also have to compete for impact on the country's advertising industry.

Advertising executives claim that the television advertising market in France will have to expand by about FFr 3bn (2320m) a year to finance the country's new private networks. While about FFr L2bn—

Mill also have to compete for advertising and viewers with the two remaining state channels, Antenne 2 (the two regional broadcasts), as well as Canal Plus, the pay-television channel which has recently surged in the ratings.

After awarding concessions After awarding concessions for the fifth and sixth channels on Monday, the communications commission started analysing applications from two rival groups seeking control of TF-1 for FFr 3bn. The decision is expected in about one month.

As expected, the two rival candidates include a group led by Hachette, the country's leading publishing concern, and

consortium called Metropole TV led by the Luxembourg CLI broadcasting group and the Lyonnais des Eaux water utility is expected to intensify competition for French television advertising.

Metropole TV intends to turn the channel from a network specialising in music and video clips into a general channel competing directly with the Frith Channel which has been awarded to the right-wing press baron Mr Robert Hersant, and with TF-1, the leading state network due to be privatised soon.

When TF-1 is privatised it will no longer be able to rely on television licence fees as well as advertising to fund its operations. Indeed, it is expected to need about FFr 15bn in additional advertising require about FFr 700m-FFr 800m

Hachette, the country's leading publishing concern, and another by Bouygues, France's biggest construction group. Hachette filed its applications deadline ended at midnight on Monday while Mr Francis Bouygeus in person delivered his group's application.

While both group's stand strong chances of gaining confishore oil deposits in Greece, said yesterday that it will fight a government decision to acquire a controlling interest tons and publishing interests. The Hachette consortium in additional advertising reverse foreign groups including foreign investors' of the UK, MCA of the UK, MCA of the UK, MCA of the using the first from the UK, MCA of the using the first from the UK, MCA of the using the first from Spain.

Evantriana and the Dead another by Bouygues, France's biggest construction group.

Hachette filed its applications applications deadline ended at midnight on THE North Aegean Petroleum Company (NAPC), the international consortium developing offishore oil deposits in Greece, said yesterday that it will fight a government decision to acquire a controlling interest to favour Bachette consortium in the Alexante and Durational Consortium for acquire a controlling interest to favour Bachette consortium in the Lackante and Durational Consortium Company (NAPC), the international Consortium Compan



The PM's tougher image abroad is bringing him benefits at home, writes John Wyles

Craxi's muscle flexing swells Italian pride

"National dignity" has been raised to a much greater importance under Mr Craxi's premiership than at any time since the war. More than any of his predecessors, the Socialist leader has sought to define an Italian image abroad which can be played back to his own politi-cal advantage at home.

Paris. The clash over whether is any greater than any other its should have been part of the Group of Five consultations on Saturday has been christened the Sigonella monetaria—a reference to Mr Craxi's confrontation with the US in October tation with the US in October 1985 when he refused to hand

"Tr WOULD be a mistake to hope for easy popularity out which is unexceptional anyof a defence of national dight, where else in Europe, apart from West Germany whose party newspaper L'Unita yesterday, in one of a score of a score of commentaries on Italy's withdrawal from Sunday's international monetary discussions in Paris.

This admonition to Prime Minister Bettino Craxi repeated trumpeting at home and abroad of Italy's new scommic strength and the constant parrotting by the media of the claim that the country has overtaken Britain as an industrial power is beginning to story any from the Group of Seven finance ministers, meeting, stood to score some domestic political points.

"National dignity" has been raised to a much greater importance under Mr Craxi's repeated trumpeting and the constant parrotting by the media of the claim that the country from the Group of Seven finance ministers, meeting, stood to score some domestic political points.

"National dignity" has been raised to a much greater importance under Mr Craxi's repeated trumpeting at home force of the past of the claim that the country from the Group of Seven finance ministers, meeting, stood to score some domestic political points.

"National dignity" has been raised to a much greater importance under Mr Craxi's conduct of the past of the claim that the country has premiership than at any time force of the Group of Five consultations of the war. More than any other force of the Group of Five consultations of the war. More than any other than any other than any of the predecessors, the Socialist to define at the Sigonella air base in the S

May's Tokyo summit agreement

from the other six heads of government who underwrote it. government who underwrote it.

Having battled in Tokyo for sure Mr Craxi does not deny a form of words which he main-

entree into all of the discussions in Paris last weekend, the clarification will have to guarantee Italian participation in the negotiation of any future measures affecting the international monetary system. If, however, the Group of Five (US. Japan, West Germany, France and Britain) want to meet from time to time to review the working of the system, then Italy will accept that its presence is not indispensable.

Mr Andreotti said with some certainty in Brussels on Monday certainty in Brussels on Monday that "it will certainly not be us" who put an end to such an important meeting as the summit. When the other heads of government arrive on the Isola di San Giorgio on June 8, it will almost certainly be Mr Andreotti who greets them as the Italian Prime Minister. He

Oil group fights Greek takeover

acquire a controlling interest had decided to acquire control in its operations. It warned of the consortium in order to that last week's move by the Socialist Government risks tion in an area east of the destroying foreign investors' North Aegean island of Thassos, which might provoke problems with neighbouring Turkey.

THE North Aegean Petroleum Company (NAPC), the international consortium developing offshore oil deposits in Greece, said yesterday that it will fight a government decision to acquire a controlling interest in its operations. It warned in its operations. It warned that last week's move by the Socialist Government risks destroying foreign investors to the economy to justify the takeover move. Subset the takeover move. Subset the takeover move. Subset the takeover move in the consortium intended to carry on "business as usual, relying on the integrity of the fine consortium in order to pre-empt planned oil exploration activities in October 1985.

He said the non-Greek members of the consortium intended to carry on "business as usual, relying on the integrity of the fine consortium in order to pre-empt planned oil exploration activities in October 1985.

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He said the non-Greek members of the consortium intended to carry on "business as usual, relying on the integrity of the pre-empt planned oil exploration.

He disclosed that the DEP had made a secret \$26.6m bid last which might provoke problems.

bers of the consortium intended to carry on "business as usual, relying on the integrity of the Greek Government and the judicial system of the country."

made a secret \$26.6m bid last December for Denison Mines' Mr Parmelee confirmed that
NAPC has plans to begin drilling for oil 10 miles east of
Thassos by the beginning of
April, but said these were
drawn up with the participation
and approval of the Greek staterun Public Petroleum Corporation (DEP) (which acquired a of its interest.

Ozal leaves vacuum in ruling party

By David Barchard in Ankara THE SERIOUS heart opera-

the Seattous neart opera-tion undergone recently by Mr Turgut Ozal, Turkey's Prime Minister, has brought home to the public the pre-carious balance between the factions in the ruling Metheriand Party. He is reportedly making an

excellent recevery, but the fact that he will be away from his duties for at least a month has left the country tempo-rarily leaderless.

The Government is headed meanwhile by the Deputy Premier, Mr Kaya Erdem, a loyal staff officer who is believed to have few political ambitions and only limited influence in the party. Major economic and political deci-sions will await Mr Ozal's

Political observers have been trying to deduce who is Mr Ozal's effective political deputy. They have discovered several fending ministers and party officials, but no clear-

According to Turkish news-papers, the party is divided between liberal, that is business minded pro Western figures, and its Islamic wing. The latter is headed by Mr liberals who are anxious to see the religious element in

anxious to maintain the unity of the party, whose seats in Parliament have risen to 251 from 211 over the past three

US move on missile pact alleged by Soviet Union

BY WILLIAM DULLFORCE IN GENEYA

A SENIOR Soviet arms negotation claimed yesterday that treaty provides for the development of new weapons under in the Geneva nuclear control President Ronald Reagan's talks the "legalisation" of an interpretation of the 1972 Anti-Ballistic Missile (ABM) Treaty

Supporters of the "narrow" that would allow it to go shead interpretation and the US's that would allow it to go ahead interpretation and the US's with the development and Nato allies, including Britain, deployment of new space affirm that deployment of STIT weapons.

The statement at a news conference by Mr Aleksei Obukhov, the deputy leader of the Soviet delegation, was promptly rejected by Mr Terry Schroder, the spokesman for the US mission. The "broad interpretation" of the treaty had been under discussion in Geneva since October, 1985, Mr Schrdoer said, but the idea that the US had formally pro-posed it be adopted was "misleading."

beyond the scope of the treaty and has to be separately negotixted.

The Soviet Union was looking for agreement with the US "taking into account the per-"taking into account the personal commitment" of President Reagan to the SDI programme, Mr Obukhov said yesterday. But by insisting on the "broad" interpretation of the ABM Treaty, Washington was blocking the way to radical reductions in nuclear arms.

Two senior US arms control

Interpretation of the ABM
Treaty has recently emerged as the central issue in the nuclear arms control talks. In Washington, Mr Casper Weinberger, the Defence Secretary, reductions in nuclear arms.

Two senior US arms control advisers, Mr Paul Nitze and Mr Edward Rowny, are travelling respectively to Europe and Asia this week to consult US allies over interpretation of the treaty.

Poland eschews Brazil's example over debts

BY CHRISTOPHER BOBINSKI IN WARSAW

with repayment ud schedules on its debt to Western government creditors, has signalled that it will not follow Brazil's example by formally suspending interest

payments. Mr Jerzy Urban, the government spokesman said yesterday that Poland "wanted to find

He pointed out, however, that Poland would be morally justified in taking a similar stance to Brazil's as it had been the imposed by creditor countries.

While Poland is keeping up with its payments to Western banks, who are owed less than a third of the total debt, talks that Poland "wanted to find with Western governments have ways of fully covering its oblisome way to go before a regations" through agreements alistic debt servicing schedule with its creditors. Poland's is agreed.

CAPITAL & COUNTIES

1986 REPORT

Results

Very good.

Net Property Income £17.8 million Profit after tax £10.8 million Shareholders Funds £269.1 million Earnings per share (diluted) 13.3p Dividends for year 7.0p Net Assets per share (diluted) 322.0p % increases are over previous nine months annualised where appropriate.

Developments

Regional shopping centres

Hanley, Watford, Bromley, Thurrock

Offices/Multi-use

The City, Basingstoke, Bagshot, Chandler's Ford, Port Solent, Peterborough

Excellent

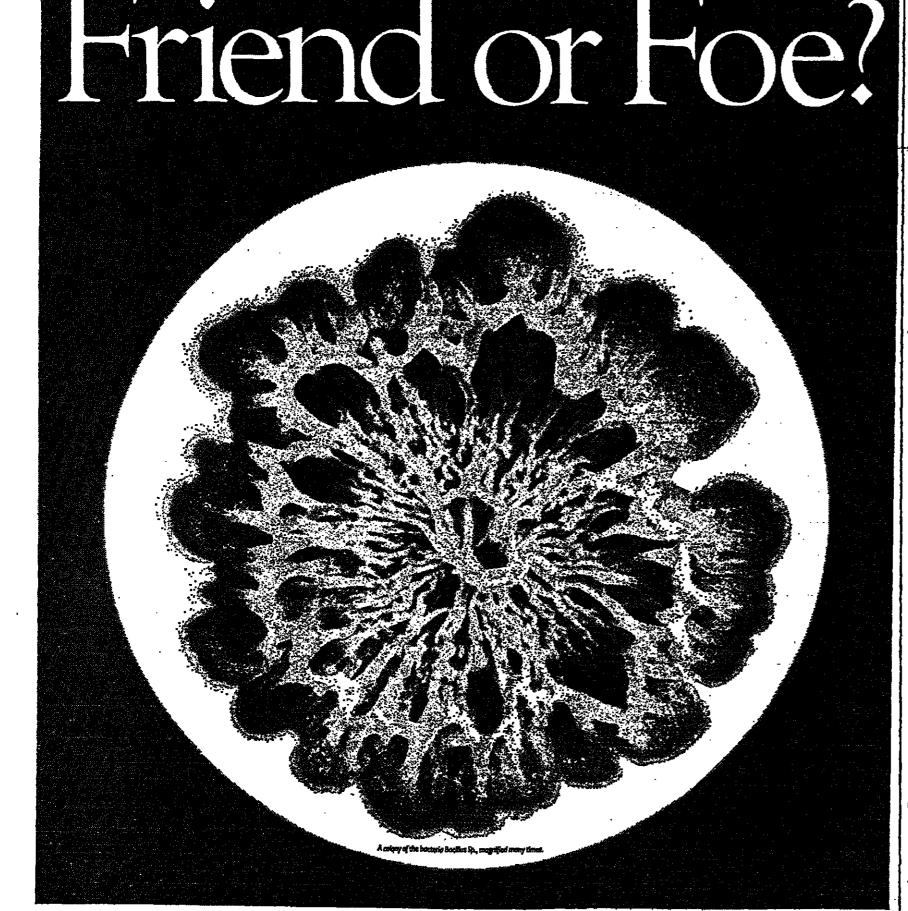
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These figures are extracted from the Preliminary Announcement issued on 24th February 1987 of the final accounts for the year ended 31st December 1986.

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RUNNING WATER FOR YOU

TUATY 25 1987

A dige the West together

nively to Europe and

Swiss plan to outlaw money 'laundering'

THE SWISS Government unveiled plans yesterday to make the practice of "laundering" money ~ at
The absence of a separate offence.

The absence of a separate offence. the financing," the ministry said.

the financing, the ministry said.

The absence of a separate offence of money-laundering in Swiss law was highlighted in September 1985 by the conviction of three financiers.

A report published by the Justice tional drug smuggling racket Ministry recommended that it known as the "Pizza Connection." should be a crime punishable by up

crime, terrorism and the drugs drugs offences.

to give their opinions on the Bertrade could be waged much more ef.

Mr Paul Eduard Waridel, a Zurich

nasconi report before the end of

Fighting has increased in Afghanistan and battles were

reported from 19 of the 28

provinces, according to West-ern diplomats in Islamabad,

The escalation follows the

rejection by anti-Communist guerrilias of the Kabul

Government's unliateral cease-

fire of January 15. The guer-rillas have said fighting will continue until all the 115,000

Soviet troops withdraw from their country.

recently, such as the unilateral ceasefire declared by Mr Naji-bullah, the Afghan leader, and

the token withdrawal of some Soviet troops, have met with extreme scepticism, But the

extreme scepticism. But the desire to achieve a negotiated

solution, which these measures seem to signal, has been

Mr Michael Armacost the US

Under Secretary of State for Political Affairs, analysed the

motives behind Mr Gorbachev's

new policies shortly before the resumption of the Geneva talks.

He considered the military burdens imposed by the Soviet involvement in Afghanistan to be manageable. Less than three

per cent of total Soviet forces

and a relatively small percentage of Soviet military expenditure were absorbed by the operations in Afghanistan, Al-

though casualty figures were significant—some 25,000 to

30,000 Soviet troops are esti-mated to have been killed since the occupation of the country

in 1979—they had not been accompanied by the kind of adverse publicity that the US

treated more seriously.

writes Mohammed Aftab.

in connection with a huge interna-

The three - two Swiss and an should be a crime punishable by up to five years imprisonment for any-one to conceal the origin of money which he had reason to believe was obtained by criminal means.

Inc. three — two owns ann an include the origin of money into those countries which are preferred by money launder that agreed to a Philippine request made last April to provide legal assistance and to order banks to discontinuous to conceal the origin of money which he had reason to believe was obtained by criminal means.

Inc. three — two owns ann an include the unitage capital, that of the officials said Switzerland are preferred by money launder that agreed to a Philippine request made last April to provide legal assistance and to order banks to discontinuous to conceal the origin of money which he had reason to believe was obtained by criminal means. The war against organised they could only be charged with

canton of Ticino. "Switzerland, as an international financial centre which is very attractive to foreign capital, risks be-

received shorter sentences.

The report was prepared by Mr
Paolo Bernasconi, a former Public prosecutor in the Italian-speaking prosecutor in the Italian-speaking an estimated 5th that former Philippines president Ferdinand Marlippines president Ferdinand Marcos is alleged to have deposited in Swiss banks, according to Zurich officials.

But they warned that the Philip- law."

victed of diverting public funds.

Bruno Trinkler, chief public prosecutor for the canton of Zurich. said he had rejected four appeals by Mr Marcos and his wife Imelda against an order freezing accounts here and prolonged the freeze until

had agreed to a Philippine request made last April to provide legal asort. sistance and to order banks to dis-Interested parties will be asked close information relevant to inves-cover the money unless Marcos stands trial-before a normal court of

Wind of hope blows through Afghan talks

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN GENEVA

What was probably much Soviet troops. Moscow wan the political cost, that such a go particularly in the Moslem and be Communis non-aligned world. Not least, the Soviet Union's whole relationship with the US and its already made is weetern allies as well as with he talks of a Nations special envoy, acting as go-between in a markedly more constructive atmosphere than at any of the other previous rounds since 1982. On any realistic assessment

it seems unlikely that this session will produce anything like Afghanistan,
"There is a high opportunity
cost for Mr Gorbachev, who does
appear to be attempting to rea final settlement, but prospects for making good progress to-wards a solution of the sevan direct the priorities of the Soviet Union, to address some very pressing domestic issues and to increase the manoeuvrayear-old Afghanistan conflict have brightened as the result of a new wind blowing from Mos-Mr Mikhail Gorbachev, the bility and dexterity of Soviet diplomacy on a global basis," Mr Armacost said. Soviet leader, appears at least

soviet leader, appears at least to have persuaded the West and Pakistan that he genuinely wants to end Soviet military involvement in Afghanistan, albeit on his own so far unacceptable conditions.

True, the various "peace" initiatives taken by the Afghan regime and the Soviet Union However, the transition from good intentions to generally acceptable and durable agreements is proving much more difficult, particularly as the Mujahideen rebels, an essential part of a peace settlement, have so far refused to co-operate.

it that three elements of the four point peace plan tabled by Mr Cordovez in the summer of 1985 at the Geneva "proximity" talks have been virtually agreed: a bilateral agreement on noninterierence and non-intervention, declarations on inter-national guarantees by the US and the Soviet Union and a bilateral agreement on the

voluntary return of refugees. The most vital issue of all remains to be settled-vital, perhaps, for everyone except the Soviet Union and the Kabul regime—that of a timetable for the withdrawal of some 115,000

Soviet troops from Afghanistan. That thorny problem has been the subject of intense diplomatic activity over the past few days, involving visits by both Mr Yaqub Khan, the Pakistani Foreign Minister, and Mr Abdul Wakil, his Afghan opposite number, to Moscow where they have had talks with Mr Eduard Shevardnadze, Soviet

Foreign Minister.
Cautiously optimistic noises
have emanated from these meetings, indicating that Moscow may be prepared to reduce the deadline for withdrawal of its troops to less than two years from its original proposal of four years, while Pakistan may be ready to raise by a few months its demand that all Russian troops should be out of Afghanistan within four months.

But the gap remains wide between the Soviet and Afghan position on the one hand and the US and Pakistani position on the other. Behind the disar-mingly simple headings of Mr Cordovez's plan lies a funda-mental disagreement over what

SPAIN PLANS to repeal con-

involve incorporating some special provisions into the

ordinary penal code, is seen as a conciliatory gesture following a coalition pact in the Basque country between

the Socialist Party and the Basque Nationalist Party (PNV), which opposed the exceptional measures.

France acts to Spain to alter curb AIDS anti-terror legislation among addicts By David White in Madrid

By Paul Betts in Paris FRANCE is to relax controls on the sale of syringes for a one-year trial period as part of its

troversial anti-terrorist legis-lation which came into force in 1985, Mr Felipe Gonzalez, the Prime Minister, an-nounced in a state-of-the-nation address to Parliament prevention campaign against acquired immune deficiency syndrome (AIDS). yesterday.
The change, which would

Mrs Michele Barzach, the Health Minister, said the action, supported by most doctors, would reduce the spread of the disease among drug addicts. Some 50-80 per cent of French drug addicts have already been infected by the virus as a result of sharing needles.

From now on, chemists will

be able to sell syringes with est prescription and without pur-chasers having to show identity

The plan implies that terrorist suspects will in future be liable to be held incommunicado for a maximum In recent weeks the govern-ment has intensified its efforts to combat the spread of Aids in France, which claims to have the highest number of cases in the EEC. of two days beyond the normal three-day period, at the discretion of a judge, instead of the extra seven days provided for in the anti-

terrorist law.
Several minor clauses of the law had already been allowed to lapse at the begin-FINANCIAL TIMES FINANCIAL TIMES
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FINANCIAL THAFE. HISS. No. ning of this year. However, Mr Gonzalez said the Government would not drop "an tota of what we con-sider necessary to combat violence effectively." violence effectively."
In a separate part of his
80-minute speech, Mr Gonzalez
announced that Spain would
sign the nuclear Non-Proliferation Treaty (NPT) in
order to be consistent with its
pelicy of banning nuclear
weapons from its territory.
Spain is one of the few Spain is one of the few main countries, alongside France, China, Brazil and Argentina, which has still to ratify the 1968 treaty.

closely allied to the Soviet Union. Mr Najibullah has tionship with the US and its already made it clear that, when to remain in the country while China, had been undermined by its continued occupation of would include representatives installed, they believe any pros-

of various Afghan groups in-cluding the rebels, he means a government which would continue to be dominated by his Sovie own People's Democratic Party. able.

THE INDIRECT talks between suffered during the Vietnam kind of regime should rule the stan, who are required to give have to be endorsed by a Pakistan and the Soviet-backed war.

Afghan Government are due to What was probably much resume in General today with more significant for Mr Gorban more significant for Mr Gorban Moscow wants to make sure part of any settlement and who, yet of wishing to co-operate that such a government should rule the stan, who are required to give have to be endorsed by a much resume of an undertaking of non-interfermence and non-intervention as part of any settlement and who, yet of wishing to co-operate that such a government should rule the stan, who are required to give have to be endorsed by a much resume of an undertaking of non-interfermence and non-intervention as part of any settlement and who, yet of wishing to co-operate that such a government should rule the stan, who are required to give have to be endorsed by a much resume and non-intervention as part of any settlement and who, yet of wishing to co-operate that such a government should rule the stan, who are required to give have to be endorsed by a much resume and non-intervention as part of any settlement and who, yet of wishing to co-operate that such a government should rule the stan, who are required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endorsed by a much required to give have to be endor that such a government should in return, want to see the with Mr Najibullah, and by the be Communist and remain Afghan people freely choose on refugees, more than one closely allied to the Soviet their own government and betting of Afghanistan's population who have find to Political come a non-sligned state. and Iran.

pect of a free political choice will vanish. For that reason, only a swift withdrawal of Soviet troops would be accept-

tion, who have fied to Pakistan

Neither the rebels nor Iran. which is host to some 3m Afghan refugees and strongly supports the formation of an independent Moslem govern-ment in Afghanistan, are represented at the Geneva talks. But it would be asking for trouble Such a solution would be It goes without saying that if any deal were made without anathema to the US and Paki- any workable settlement will their tacit consent.

Anti-cartel challenge to Bonn

By Our Brussels Staff

MR PETER SUTHERLAND. the Competition Commissioner, will today press for a ruling that the Bonn Government is breaking EEC competition law.

He will ask the Commission declare that Bonn has to declare that Bonn has breached the Treaty of Rome by not forcing Hoechst, the Frankfurt-based chemicals pro-ducer, to admit EEC anti-cartel investigators to one of its

Hoechst refused entry last month to Commission officials seeking evidence of possible illicit price fixing if polyethy-lene and PVC.

Mr Sutherland's request is

highly likely to be approved. Bonn has already denied, in response to a Commission re-quest for an explanation, that it was failing to enforce anti-

cartel rules.

The Commission is expected. that the West German authorities are failing to fulfil their treaty obligations. Mr Sutherland is asking for Bonn to be given 14 days to comply with the ruling, failing which the Commission could then take West Germany to the European

Court. The shorter time limit reflects the seriousness with which EEC competition authorities are viewing the matter, which they fundamental right to pursue illegal cartels .

EEC cuts quarterly steel output quotas

THE European Commission yesterday cut quarterly production quotas for a range of steel products for the second three-month period running.

They apply to hot-rolled coil, reversing mill plate and merchant bars and come as a result

of persistent declines in prices

by the Brussels authorities as part of the so-called Davignon regime of price and production controls, instituted in 1980 to help the industry through its

recession.
Yesterday's new quotas,
which affect production for the
second quarter of 1987, are significant because the Commission is planning to dismande the steel regime by the end of this year.

It has met strong resistance from producers, which have put keep quotas in place in return for voluntary production cuts. The new quotas were decided after consultations with both producers and consumers of

The Commission has decided to increase quotas for cold rolled sheet and wide beams, products for which demand is relatively resilient, and to make no change in wire rod output.

Even after the impact that tougher quotas for other pro-ducts will have on prices, the Brussels authorities said yesterday that steel producers were only expected to make "limited" profits for the second quarter.

European steel producers shed a total of 31m tonnes of hot rolled capacity between 1980 and 1986, according to the European Coal and Steel Community's annual report, published yesterday.

However, the report warns that there will still be 20m tonnes of hot rolled over-capacity in the EEC by 1990 unless substantial closures are made.

The Community steel in-dustry's capital investment rose from Ecu 3bn to Ecu 4bn from

2.027

STEEL OUTPUT QUOTES 1987 first quarter	Second quarte
3.53	3.456
3.05	3.167
1.206	1.762
0.937	1.024
2 262	2.262

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TOP US BANK EXPOSURE IN BRAZIL

(Year end 1985)

2,820 2,247 2,799 4,700 688 1,434 1,929 412 603 804 864 489 250

1,802 2,709 1,680 1,471 357 2,800 364 1,277 606 912 1,250 555 245 520 287

Focus shifts in Washington to Regan successor

BY STEWART FLEMING, US EDITOR IN WASHINGTON

THE FUTURE of Mr Donald Regan, the White House chief of staff will not be resolved until after the publication tomorrow of the report of the Tower Commission into the Iran arms scandal, a Reagan Administration official said

White House officials are seeking to devise a strategy to try and counter the political damage President Reagan is expected to suffer as a result of the barsh judgment on the Administration's foreign policymaking machinery expected from the Tower Commission, and attention is now focusing not on whether but on when Mr Regan will quit and how he will be replaced.

Separately the White House continued to be bombarded with allegations that in November of last year, in a bid to try and limit the damage to the President from the erupting Iran/ Contra arms scandal, officials falsified memoranda dealing with the origins of the Iran

In the past few days there have been a succession of reports suggesting that documents dealing with the back-ground to the affair were shredded and memoranda altered in order to try and pro-

tect the President.
Miss Fawn Hall, secretary to Lt-Col Oliver North, one of the key figures in the Iran affair, has reportedly been granted immunity from prosecution by the independent counsel investigating the scandal. She has told investigators that she retyped several White House docu-ments on the Iran arms sales after they had been altered by

her superiors.
The Wall Street Journal yesterday, said that investigators into the Iran affair suspect Ms Hall played a bigger role in Lt.-Col. North's covert operations than her status as a secretary would suggest.

mr Lawrence Walsh and the Mr Regan include Mr James Federal Bureau of Investigation Baker, the Treasury Secretary, are investigating whether memos and other documents in the office of Admiral Takes are investigating whether and Mr John Herrington, memos and other documents in Energy Secretary and former the office of Admiral John White House political affairs not expect to decide on the poindexter, former National director Mr Kenneth Duber-stein.



— speculation mounts

were altered to recast the his-tory of the secret arms sales. Increasingly it seems investi-gators into the Iran arms affair are focussing their attention on individuals other than the top administration officials involved in the Iran dealings in order to deepen their understanding of

what happened. The resignation of Mr Regan is widely seen as an essential component of any effort to revive Mr Reagan's fortunes. But it remained unclear yester-day who might replace him.

Mr Drew Lewis, the former
Transportation Secretary
during Mr Reagan's first
Administration, is near the top of most lists as a likely candidate and he has reportedly told Mr Reagan he would be willing to serve on a voluntary basis. He is now chief executive of Union Pacific Corpora-

however that former Senator Paul Lazalt, a close friend of Mr Reagan could be recruited too. Perhaps to work alongside with Mr Lewis or whoever is The report said that accord-ing to law enforcement officials appointed Chief of Staff. Others

Fresh plea to Swiss on Iran arms affair

US AUTHORITIES have filed two new requests with the Swiss Government for information to help their investigation into the Iran-Contra affair, the Swiss Justice Ministry said yesterday.

The requests bring to more than 20 the number of companies and people, on which the US is seeking information from Switzerland in connection with the transfer of funds from US arms sales to Iran to Contra rebels fighting the Nicaraguan government.

In December the federal police office ordered the freezing of two bank accounts after receiving two earlier US requests for legal help. One account, in the name of

Lake Resources, a company mentioned in US newspaper reports, was with the Geneva branch of Credit Suisse. The US Justice linked the name of Lt Col Oliver North, the US Desire at the centre of marine officer at the centre of the Iran-Contra affair, with one

No further accounts have been blocked after the receipt of the new US requests. of the new US requests.

In one request filed in January US officials sought information on accounts administered on behalf of 16 named clients by a Geneva company suspected of having acted as an intermediary in the delivery of the arms to Iran.

A company in Florida, which is alleged to have received the funds from the arms sales and used them to finance Contra operations, is the object of the latest US request filed earlier

latest US request filed earlier this month. In connection with this company US officials want information about accounts held by four other concerns

Six appeals against the ear-lier decision of the federal police office to meet the US call for legal help have been filed by people named as account holders

People affected by the new requests have 10 days to file appeals while those concerned in the earlier US demands for information have had the dead-line for their appeals extended, after the arrival of the new reexposure to Latin America in general and to Brazil in particular, writes Alex Nicoli. Brazil owes them \$18.6bn (£12.2bp) in debt of more

US BANKS have the largest

Manufacturers Hanove BankAmerica

Bankers Trust New York

Irving Bank

Wells Fargo First Chicago

. P. Morgan

Security Pacific

Republicbank Mellon Bank

Marine Midland

than a year's maturity, and Citicorp, Chase Manhattan, Bankamerica and Manufac-turers Hanover are the most exposed.

Their share prices have weakened since Brazil's announcement although yesterday they were holding fairly

TOP US BANKS EXPOSURE IN LATIN AMERICA

(Year-end 1985 - \$m)

1,429 450* 920 402* 243 1,406 — 375* 133 225 869 365 330 200*

Venezueli 1,048 1,450 1,250 714 471 1,207 307 300* 259 275 500* 305 105 100*

US banks are the most vulnerable to Brazil's interest payments suspension because they must categorise a loan as non-performing when in-terest is 90 days overdue. If the payments halt were pro-longed—Brazil has set no time limit on it—it could severely affect their profit figures in the quarters to come.

Two of the British clearing banks, Midland and Lloyds,

are also quite beavily exposed to Brazil shares have taken a tumble this week, the Bank of Montreal has lent most to Brazil at \$1.5bn or 2.6 per cent of the bank's assets. Royal Barl: of Canada's exposure is \$1.n or 1.6 per cent, Bank of Nova Scotia's \$700m or 1.7 per cent, and Torento Dominion \$600m

RISKS OF FOREIGN BANKS IN LATIN AMERICA

7,778 7,270 4,471 1,483 10,400 1,543 3,216 1,705 2,418 4,823 1,667 1,560 777 1,068 1,503

Source: IBCA

Chile 791 300* 450* 450* 204* 400* 104 290 275*

% of equity 206 171 165 158

155 136 129

Chase Manhattan

nufacturers Ha BankAmerica

BankAmerica
Citicorp
Marine Midland
Chemical New York
J. P. Morgan
Irving Bank
Wells Fargo
First Chicago
Bankers Trust New York
Melion Bank
Security Pacific
Bank of New York

Bank of New York Continental Illinois Bank of Boston

First Interstate

In Japan, the average exposure is less than } per cent of total assets, and the Bank of Tokyo is believed to have the highest exposure to Brazil. Japanese banks rank second

after US banks with \$8.8bn of Brazil's debt excluding short term loans, followed by UK banks with \$8.5bn, the French with \$6.1bn, the Canadians with \$4.7bn, the West Germans with \$3.7bn and the Swiss with \$1.5bn. Brazilian banks abroad are also ewed \$7.6bn.

UK BANKS EXPOSURE IN BRAZIL (£m) Lloyds Midland NatWest parciays and NatWest exposure is less than 1 per cent of total assets and below £700m. Bardays*

0.17 0.39 2.10 1.64 0.39 0.51 0.72 2.48 0.99 3.47 0.36 2.20 0.00 1.81 2.18

Israeli nuclear arms 'could level all Mideast cities'

enough nuclear weaponry "to capability, partly because the level every urban centre in the US rejected the Shah's request Middle East" with a population for enough research reactor of over 100,000, AP reports fuel to build at least one bomb, from Washington.

The report says A State De-

from Washington.

According to a report repartment official said he had no leased yesterday if rebel governments take power in either South Africa or Pakistan and gain control of existing nuclear technology the south and processes of the south said of nuclear issues for more than the south said the report says A. State Department of the said the report says A. State Department of the said the report says A. State Department official said he had no information about that allegation.

Mr Spector, who has worked on nuclear issues for more than nuclear technology, the result could be "one of the gravest

dangers of the next decade" The warnings are contained in the third annual report on

in the third annual report on global nuclear proliferation by the Carnegie Endowment for International Peace

Written by Mr Leonard Spector, a Carnegie associate, the report also discloses that the Shah of Iran, shortly before he was ousted in 1979, initiated work on a nuclear weapons rehe was ousted in 1979, initiated Israel's nuclear might is based, work on a nuclear weapons research programme that presumably has been inherited by the Government of Ayatollah Ruhollah Khomeini Iran. however is all and the report's estimate of Israel's nuclear might is based, in part, on the disclosures of Mr Mordechai Vanunu, a former nuclear technician, who suggested that Israel's nuclear arsenal may number 100 to 200 Iran, however, is still far weapons.

ISRAEL may have acquired short of a nuclear weapons

on nuclear issues for more than 10 years, discusses the proliferation question in apocalyp-

The report says the consequences of a nuclear conflict starting in either the Middle East or South Asia are difficult to predict because both Moscow and Washington have major

Chicago votes in mayoral race

CHICAGO residents voted yesterday to select their parties' candidates for mayor in April's general election, AP reports from Chicage.

The primaries capped a bitter campaign, particularly among the Democraths, in which incumbent Mr Harold Washington compared his top chal-lenger, former Mayor Jane Byrne, to a swarm of gnats and her tactics to Adolf Hitler's.

The Republican primary pits Mr Donald Haider, a university professor, former Democrat and one-time budget advisor to Mrs Byrne, against Mr Kenneth Hurst, Republican committee-man, Mr Ray Wardingley, a pro-fessional clown, and Mr Chester Hornowski.

Polls show the current mayor pulling away from Mrs Byrne in the Democratic primary by as much as two-to-one. Washington has urged supporters against complacincy, saying a huge turnout would decide the out-

barrels or less than five years at the

current rate of output. Guatemalan

oil men believe these are conserva-

tive figures and that potential re-

serves could be as much as 900m barrels. They believe that larger

quantities of oil are located in lower

limestone located between anhy-

drite zones. Loss of circulation as

the drill hits a crevice or crack in

the rock structure is a usual snag.

ied or explored, in detail.

Afghan guerrilla says he laid mines in Soviet Union

AN AFGHAN anti-Communist The officials said that the US guerilla says he has repeatedly which this year is giving the crossed the border into the Soviet Union to lay land mines along roads used by Red Army raids into Soviet territory, but troops, AP reports from Wash-

Mr Sayyed Abdul Rauf, 25, said that he and four or five guerrillas would regularly cross the Amu Darya river. travel several miles into the Soviet Union, and mine dirt roads used by border patrols. The guerrilla group never engaged Red Army patrols inside the Soviet Union and did not know whether the

mines coused any damage or casualties, said Mr Rauf, inter-viewed in Washington where he was being treated for a leg injured in a battel inside Afghanistan.
Three White House officials supported his account of aggressive tactics adopted by Afghani-

guerillas \$630m in aid and weaponry, does not encourage raids into Soviet territory, but has little control over the Mujahedeen in the field. One senior Pentagon official, in congressional testimony last

week, hinted that border con-flict might intensify if the Soviet Union do not withdraw soon and allow a popular government to take power. Mr Fred Ikle, Under-Secretary of Defence, told the con-gressional task force on Afghanistan on Tuesday that before the Soviet invasion in 1979, "that country was a 1979, "that country was friendly neighbour . . . there was no threat at all."

But if the Soviet leaders persist in waging war against the Afghan people, the day may come when their allegation of a threat across the Soviet-Afghan stan's Moslem Mulahedeen dorder might have been turned guerrillas to harass Soviet into a self-fulfilling prophecy, troops inside their own borders. Mr Ikle said. border might have been turned

WORLD TRADE NEWS

Anson Ng in Guatemala City examines the implications of poor results and security problems

Japanese to make more copiers in **Europe**

By Carla Rapoport in Tokyo

JAPANESE photocopier manufacturers say they will step up output in Europe and try to reduce the cost of their export models to combat the latest EEC anti-dumping move. The makers yesterday reacted

with disappointment to the Commission's decision to impose 20 per cent anti-dumping duties on their exports to Europe, up from the provisional 15.8 per cent duties. At the same time, they are trying to reduce the cost of producing their export models

in order to restrict their price increases to less than 20 per "The sales of photocopiers are already sluggish. If the 20

per cent duties go ahead, sales will be worse," an official at Canon said yesterday.

Konishiroku, which makes Konica machines, Minolta, Ricoh, Canon and Matsushita, makers of National and Panasonic brands, all said that they intend to boost production of copiers in Europe.

Some, such as Masushita and Konishiroku, intend over time to replace their exports

Enthusiasm runs out in Guatemala oil industry GUATEMALA's nascent petroleum Energy Minister, said the Govern-industry faces an uncertain future ment should show greater flexibiliwith disappointing results from exploration and troubled relations with foreign oil companies. The limited exploration which has taken place in the past eight years has

proved expensive and unproductive while sporadic attacks by left-wing guerrillas have disrupted field Amoco and Exxon, the US oil companies which became operators in blocks near the Mexican border in late 1985, have temporarily sus-

guerrilla attacks. The temporary suspension of field work by these two companies has soured relations with the Government President Vinicio Cerezo believes that the oil companies have used the security issue as an excuse to halt work pending a recovery in international oil prices. The Guatemalan military, meanwhile, has accused the companies of

pended seismic work in the wake of

lack of co-operation. Both companies have denied these charges, emphasising the dif-ficulties of mounting effective se-curity programmes to protect field workers. Neither company has talked of pulling out, excutives say. Indeed, Exxon and Amoco would be liable to pay fines of \$20m and \$10m respectively if they were to quit. In view of slack international oil

ty in work contracts allowing companies perhaps to do seismic work but deferring drilling which re-quires greater financial outlay until a later stage when oil prices may have recovered. He also believes that the extension of Decree 61-85, which permits direct negotiations between the Ministry of Energy and the company in place of com-petitive bidding, would help draw in new companies

Decree 61-85 facilitated the signing of three exploration contracts in 1985 with Amoco, Exxon and Basic Resources during the military government of General Mejia Victores. Peten Petroleum, a local company, has offered to take up an exploitation contract to rework abandoned wells considered uncommercial by larger companies but only if direct negotiations are revived. Peten Petroleum, which went into competitive bidding on another contract area eventually awarded to Hispanoil and Basic Resources, says that the bidding process is time consum-

85 until an investigation is conducted into Elf Aquitaine's alleged mismanagement as former operator and on the basis of which Basic Resources, Elf Aquitaine's former prices the Government may have to make legislation more attractive. State bureaucracy and supervision, tablish a dialogue with the left-wing which entails constant scrutiny by guerrillas. Guatemala's main produ-



Some oil men believe that a significant oil find would generate enthusism in exploration more than any new government's initiative. It

ing and costly.

However, Congress is reluctant to is a matter of prospecting rather approve the extension of Decree 61—than legislation. We can have a good law but why come here when there is a better chance of getting oil elsewhere? said an engineer. The Government is fully conscious of the security problem and

sporadic left-wing guerrilla attacks as an excuse to halt work pending a recovery in international oil prices, while the military accuses them of lack of co-operation

President Venicio

foreign oil

Cerezo (left) accuses

companies of using

officials and lengthy reports, has served as a further disincentive to companies. cing fields, operated by the Spanish state oil concern. Hispanoil, are protected by a battalion of soldiers. Guerzilla attacks have in the past punctured a pipeline and temporarily put out of action a processing

Guatemala is a marginal producer from just 12 wells. As a result of "workovers" to recondition existing wells and the opening up of new zones, production has recovered from under 3,000 b/d during the dispute between Eff Aquitaine and Basic Resources to about 7,000 b/d in

Drilling is further complicated by sudden changes in geological gradients and alternating pressures. On the recently completed Caribe 101 well (11,000 ft), Hispanoil had to deviate and to re-drill some 2,000 ft when a section of pipe got stuck in Said an engineer. "In Venezuela it takes about a week to drill 10,000 ft whereas in Guatemala it would

take more than three months to achieve that." The cost of drilling a well can run as high as \$15m. cult by the complicated geology and the rugged terrain. Work teams have to tackle 300 metre high slopes and wander through dense jungle while the limestone, broken up and filled with boles, produces poor However, proven remaining re-

Although Guatemala's domestic consumption is only 22,000 b/d, the country is obliged to import crude from Mexico and Venezuela. This is because its one refinery, operated by Texcaco, is unable to cope with the corrosive effects of its sulphu-

Furthermore, Guatemala's heavy depths in reef traps or stratigraphic traps and on the sides of the salt dome. None of these has been studto would provide too much bunker it infringed on copyrights fuel and asphalt and not enough gasoline. Oil companies have been discouraged from exploring lower depths as they have to drill into fractured

Hispanoil executives say that the company has spent more than \$140m in jungle exploration and development but has only managed to company has already paid about recoup about \$30m through crude Y300m (£1.29m) to IBM for the sales in the last eight years, copyright infringement. Hispanoil estimates that it makes a profit of \$1-\$2 per barrel after deducting state royalties. The average production cost for all its wells averages \$6 per barrel, taking into account surface and maintenance

oil has been trying to cut costs by sales.
reducing personnel and pursuing a The copyright infringement, less vigorous exploration proell can run as high as \$15m. gramme. Hispanoil became opera-Seismic work is also made diffitor in 1985 of a contract area previously run by Elf Aquitaine and has equal shares in the joint venture with Basic Resources. Hispanoil and Basic Resources are in another joint venture on an exploitation contract to recondition previously

Matsushita suspends export of computer

By Carla Rapoport

MATSUSHITA Electric, Japan's largest electronics company, has crude (API 26 degrees) does not an IBM plug-compatible per-meet domestic requirements since sonal computer, admitting that

Matsushita agreed to halt exports and withdraw stocks of its FX800 personal computer which it launched last July. The

IBM has been doing battle for years worldwide in an effort both to protect its patents and retain its position in world computer markets. Matsushita stressed yesterday that it would continue making

Since the departure of Eff Aqui-taine, the French oil group, Hispan-oil has been trying to continue making three other IBM-compatible per-sonal computers and would re-design the FX800 for

it said, was due to the incorrect designing of the computer software's basic input / output system.

Louise Kehoe adds: Other makers of IBM-compatible computers employ widely available hips that store the computer's basic input/output system (BIOS chips) which do not in-fringe IBM's copyright.

Czech engine assembly order goes to UK

By Margie Lindsay

JOHN BROWN Automation of design, supply and instal an assembly system for a new car engine at the Skoda factory

near Prague.

The line will be capable of handling up to 50 models, but initially will produce 21 variations on the basic four-cylinder Skoda engine. The contract is worth more than £4.5m.

The line will be built and tested in Coventry, with delivery early in 1988. John Brown Automation is also bidding for another car-engine assembly line in the Soviet Union, and a decision is expected on the contract, worth around £12m, later this year. The company faces competition

Pratt & Whitney prop-fan deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

aero-engine manufacturers, service from the early 1990s. the United Technologies Group, Formation of the new joint is the world's largest manufacturers of General Motors, company follows the memoranturer of propellers, and also have formed a joint company the independent of the property of the propert have formed a joint company to develop their new prop-fan of last year. concept of aircraft engines.

for a wide variety of new aircraft for the early 1990s, and several such engines are being developed

They involve primarily the US General Electric GE-36 for medium-range type aircraft, while Pratt & Whitney and Allison have been developing the 578DX smaller prop-fan for short-range aircraft.

The new joint company, PWmainly from West German and Italian companies for the contract.

Allison is the major supplier arcsear arranger, in place of the world's military turbonext generation of 100 to 160- propeller market, while Hamil-

TWO OF the world's major seat airliners, for airline ton Standard, also a member of the two companies in February

This initiated development of The prop-fan is being offered the 578DX prop-fan engine, or a wide variety of new airwhich is due to undergo flight tests on a McDonnell Douglas MD-80 series airliner this The new company brings to-

gether several major elements of the world's aero-engine in-Pratt & Whitney, a division of United Technologies of the US, is a rival to General Elec-

tric and Rolls-Royce in the bigthrust jet engine business. Allison is the major supplier

turer of propellers, and also the inventor of the prop-fan propeller system.

Progress on the Pratt and Whitney/Allison 578DX engine is reported to be good, and the two engine builders are still targeting for an engine to be in airline service on an air-craft called the McDonnell-Douglas MD-91X in the early

However, some doubt has been cast on the future of the prop-tan by the decision of Boeing of the US to think more in terms of offering the Inter-national Aero Engines' Superfan engine on its projected 7J7 150-seat airliner, in place of

Indonesia fixes LPG accords with Tokyo

By John Murray Brown in Jakarta INDONESIA yesterday com-pleted negotiations with Japan

for two liquefied petroleum gas (LPG) development projects worth a total of \$880m (£628m). The deal, announced in Jakarta by Pertamina, the staterun oil company, will be financed up to 80 per cent by Japan's Exim Bank, with the remainder by 23 Japanese banks and seven insurance com-

The loan costs are to be recovered in part from sale proceeds of the LPG. Pertamina reached a 10-year

sales agreement in June 1986 with seven Japanese buyers, for the two plants, one in Arun in North Sumatra, and the other in Bontang in Kalimantan, formerly Borneo.

Taiwan sets up \$145m integrated circuit plant

BY BOB KING IN TAIPEL

manufacture very large-scale integrated circuits (advanced semiconductor circuits).

Philips of the Netherlands holds 27.5 per cent of the new company, Taiwan Semiconductor Manufacturing Company. The Taiwan Government holds 48.3 per cent, and six local companies including Formosa Plastics, the country's largest conglomerate, the remainder.

Under the terms of the agreement, Philips will receive almost one-third of the plant's initial output of 10,000 6-in

TAIWAN has inaugurated a being manufactured in co-opera-\$145m (£103m) facility to tion with Avnet of the US. manufacture very large-scale The new company is starring out in the face of keen competition from other chip manufacturers, most notably in the

US and Japan. Company officials and inves-tors believe the operation will prove profitable almost from the start — first, because a large part of its output is already spoken for by Philips, and second, because it is entirely a manufacturing facility with no research and development or marketing costs.

initial output of 10,000 6-in
wafers a month.

Many of these will be fed into
its chip assembly plant in Taipei
and ultimately exported in from these customers, the its chip assembly plant in raiper on receiving specifications and ultimately exported in from these customers, the finished products such as a plant will manufacture and export compact disc player currently turn over the finished products.

Morgan Grenfell in \$72m Turkish loan pact By David Barchard in Ankara

MORGAN GRENFELL of the UK yesterday signed a \$72m (£51m) loan agreement with the Turkish Government to cover the external financing costs of the Kazanci-Gumusova Motorway.

A consortium of Balfour Beatty of the UK and Entes of Turkey is expected to sign a contract with the Turkish highways authority next week to build the highway, which is part of a motorway which will run from the Turkish-Bulgarian frontier in Thrace through Ankara and down to the Syrian

border.
Under the terms of the loss agreement, 342m of the deal will be a normal commercial loan carrying Turkish risk. The remainder will be covered by export credits from Britain and Theles.

near break-up over peace move

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL'S two and a half-yearold coalition government appeared yesterday to be close to breaking up over the long simmering, controversial issue of a Middle East peace confer-

February 25 lap

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BE PACE

expected to concentrate on preparations for an inter-national conference, his Likud coalition partner, Prime Minister Yitzhak Shamir, warned

have no decision-making authority in Egypt. In a belated attempt to curb the free-wheeling Mr Peres, who has, in effect, been pursuing his own foreign policy in the peace process, the per-in recent months, Mr Shamir petually squabbling coalition said the Foreign Minister could discuss bilateral issues with President Hosni Mubarak of ised to reach any conclusions regarding an international conference before a full Cabinet Mr Peres met President Mubrak as Prime Minister in Alexandria last September for an ice-breaking summit.

Although this trip is known to have been planned for some time, it appears to have been brought forward at sort notice. Far from consulting the Likud leader in advance, Mr Peres ence. As Foreign Minister Shimon home an obvious spub, saying Peres prepared to fly today to "I do not need approval. I am Cairo on a surprise visit not anybody's employee."

Significantly, Mr Peres is due to take off for Cairo just hours before Mr Shamir returns to Israel from an official visit to the US marred by sharp dison Israel Radio, that the agreements over the value of Labour Party leader would an international conference. have no decision-making Senior politicians from both parties agree that, given the rival political leaders personal rival political leaders' personal commitment to their divergent

government may now have passed a point of no return. The Labour Party is unlikely Egypt, But he was not author- to bring down the coalition simply on the conference issue. It is more likely, at a time when Mr Shamir has shown indecision over the economy, any election campaign is likely to focus instead on issues of

Mrs Marcos: flashing beels

Israeli coalition | Manila considers Brazil's approach to debt payments

MRS SOLITA MONSOD, the secretary of economic planning, yesterday called for drastic action similar to Brazil's suspension of interest payments on commercial debt last week in order to ensure the country's economic growth is not held back by heavy debt servicing charges. Mr Jaime Ongpin, the Finance Secretary, would not

comment on pressure led by

Mrs Monsod to consider sus-pending interest payments on the country's \$9.3bn commer-cial debt. Mr Ongpin still plans to travel to New York for reschedning talks with the 12-member commercial bank advisory committee on March 3 and has no plans to postpone the meeting to study the Brazilian move despite reports to the con-trary, his spokesman said. "As long as the banks get

centive for the bankers to talk turkey," Mrs Monsod said. She was referring to the need of American banks to make provisions in their books if interest is more than 90 days overdue. The Philippines has not paid any principal since the country's financial crisis began in 1983. Late last year the commercial banks agreed to extend the moratorium for three months until the end of March.

Mrs Monsod, who is not on

the Philippine negotiating team but has the ear of the President and represents nat-ionalist feeling, has taken a tougher stand on the debt re-negotiations than Mr Ongpin negotiations than Mr Ongpin since the talks began and, in the past, has called for selective debt repudiation. Brazil's decision not to pay its interest has sparked hopes, especially among nationalists, that the Philippines will be able to lower its interest bill as well. The tables with the hanks The talks with the banks

collapsed last November when the two sides could not agree a new interest spread over London inter-bank offer rate (Libor) for the country's debt. One option the Philippines is considering if the banks do not make an accept-able offer is to pay interest but freeze it in an escrow account in Manila, Mr Ongpin said last month and Mrs Monsod repeated yesterday. However. Mrs ideas go further than simply

demanding a lower interest spread. She wants long-term commitments from commercial banks that they will match bilateral and multi-lateral aid flows over the next

resources out of the country, how can we expect to finance things like land reform?" Mrs Monsod said, adding that the Brazilian solution should be adopted as a negotiating

Imelda's shoes inhabit a national shrine



IN A dressing room at Malacanang Palace, where a year ago today Mrs Imelda Marcos might have stood choosing shoes for her last appearance in the Philippines, Miss Heidi Montesa, a McDonald's hamburger sales-girl turned tour-guide now tells stories about the last days of the would-be dynasty.

the home of former President Ferdinand Marcos and his avaricious wife until they were forced into exile in February last year, the palace is now a unwarn, some exotic such as museum for the treasures and her disco set with rechargeable trappings of a rotten regime, flashing heels and almost none course, to Imelda's now world famous shoes. For Heidi Montesa, the palace

has lost some of its ability to shock, "Imelda had gaudy taste and her gowns — I would not wear them - most of them look itchy," she said. But she

Richard Gourlay visits the Malacanang Palace in the Philippine capital

refers to the room where Mrs Marcos's 935 gowns and dresses line two walls like an over-stocked department store, as the Malacanang Palace has "Wow" Room because nobody become a shrine. For 20 years can believe their eyes when

> stacked neatly in racks, many made in the Philippines as she claimed. They share shelves with rows of Christian Dior and Monsleur Rochas perfume, some of it in two litre jars, and empty jewellery boxes stacked high.
> The 100,000 people who have

removed.

But while the palace has lost some of the feeling of recent flight, it is gaining its myths and legends. There is the Univac computer in one of the studies that was said to link Mr Marcos directly to his bank accounts in Switzerland that the Government now suspects lodge up to \$5bn of the country's wealth. Then there is

passed through the palace since the pure oxygen found by Mrs it opened as a museum last Marcos's bed which she was September now see it in a clinisupposed to have breathed each cal and carefully inventorled night to improve her

they enter.

Cos's bedroom floor and the Airs Marcos used to cook to: the partice, Marcos and the Airs Marcos used to cook to: the partice, Marcos and Mrs Marcos used to cook for the military camps and posi- ings but otherwise operates tions of the soldiers during the from the palace guest house.

> palace for the first time was colonial governor's residence that highlight the corruption of values in Mr Marcos's time.

were replaced by plastic resin "stain glass" pictures dipicting Malakas and Maganda, the Adam and Eve of Filipino now been cleared away.

Cheap Casio watches used as election gifts during the flawed presidential campaign that triggered the dictator's downfall no longer litter Mrs Man.

The receipt for \$1.43m from legend. Elsewhere life sized portraits show the couple marching waste high through reeds, clearly in the same roles.

President Corazon Aguing head the "War Room," but was not called the "War Room," b

rebellion that triggered the civilian uprising and forced the the streets again to celebrate the first anniversary of the "Boomle's Power" revolution there seems little chance that shocked by the grotesque Mrs Aquino will follow in changes to the old Spanish Imelda's shoes. She couldn't anyway: Imelda takes an extrava-gant size 8½ while Cory a modest 5½.

Angry exchanges in Taiwan parliament

BY BOB KING IN TAIPE!

TAIWAN'S parliament yesterday erupted in a heated dispute as members of the newly formed Democratic Progressive Party chalthe mainland who, under present lenged officials of the ruling Nationalist Party on points of procedure.

in the chamber as a Nationalist parliamentarian attempted to drag away an Opposition member from the rostrum, while he was criticising Mr Yu Ko-hwa, the Prime Min-

The disruption was the latest in a series that members of the opposition party have staged during the Nationalist committee is seeking preparatory and opening stages of ways to increase native-born partithe new session.

On Monday newly elected opposition members interrupted oath-taking proceedings by grabbing microphones and shouting demands.

Ironically, the opposition has begun its agitation just as a select The government has accepted committee from the Nationalist committee proposals to end nearly Party, appointed by President Chiang Ching-kuo is recommending re- ban on the formation of new politiforms within both parliament and cal parties. These proposals along the national assembly that will allow native Taiwanese, from whose lem of representation are the latest ranks much of the opposition is step in a long programme of reform drawn, a far greater voice in both that has moved at breakneck speed policy making bodies.

Both parliament and the national assembly are dominated by ageing members elected 40 years ago on laws, cannot be replaced until the Nationalists recover China, and At one point a fist fight broke out new, free elections can be held

> The Opposition maintains that decisions concerning Taiwan should be made in accordance with the wishes, of the majority of citizens who were born here.

> According to various analysts the cipation in both bodies without appearing to undermine its claim to represent all of China - a claim partly maintained by the continued predominance of representatives elected on the mainland.

over the past year.

BY CHRIS SHERWELL IN SYDNEY

public expenditure to reduce an fiscal discipline necessary to the current financial year and to contain the shortfall in 1987- of payments and to reassure

"economic statement," already dubbed a mini-budget, jected to reach A\$13bn to yesterday for t is to be made to parliament on A\$14bn (£5.6bn to £6bn) in the economists for May 14, three months ahead of 12 months ending June 1987, to A\$1bn higher the customary budget day in around the same as in 1985-86. of any action.

BY CAPLA RAPOPORT IN TOKYO

Shintaro Abe, head of the ruling Liberal Democratic

Party's executive board, said: "Once Japan has made a pledge to the world, it is necessary to see it through. In some cases, the Government may change its

The statement increases sideration, such as loosening pressure on Prime Minister controls on consumer loans and Yasuhiro Nakasone, already in expanding the Government's

The aim is to maintain the curb a continuing large current account deficit in the balance international financial markets. The current account is pro-

AUSTRALIA'S Labor Party August. It is unlikely to in- This is equivalent to 6 per cent Government is planning cuts in clude tax changes.

Of gross domestic product, of gross domestic product, among the highest deficit in the OECD group of countries.
In his budget last August, Mr Paul Keating, the Treasurer, projected a federal budget deficit of A\$3.5bn in 1986-87. Although no figure was revealed yesterday for the likely outturn, economists forecast a deficit up to A\$1bn higher in the absence

This would make continuing containment of the deficit more difficult, and would be viewed negatively by sensitive financial markets. These have already marked down the Australian dollar by more than 20 per cent since early 1985.

The implication of yesterday's declaration is that the August budget will be tough, even though a general election is due

INDIA'S economy faces serious financial year. Imports are problems on its balance of payments and levels of public pared with 15.1 per cent in expenditure during the next few years, despite an improved trend of industrial and general economic groups which which a purpose to the proper serious contents which which a purpose to the proper serious contents and the proper serious are "confortable." economic growth which pushed

presented on Saturday by Mr 1986-87 budget estimates com-Rajiv Gandhi, the Prime Mini-pared with 67 per cent the prester, who is also temporarily holding the Finance Ministry Exports are estimated to be rising

rising at 17.3 per cent this year, a major improvement on a decline of 7.1 per cent in 1985decline of 7.1 per cent in 1985-1986, but less than a growth of 2.7 per cent in 1985-86, 2.4 per 2.5 per cent claimed by the cent more than originally esti-Government earlier in the mated.

This notice complies with the requirements of the Council of The Stock Exchange and does

BY JOHN ELLIOTT IN NEW DELHI

despite higher growth

gross national product up 5.5 per cent in 1985-86.

This is the main message of the Ministry of Finance's Annual Economic Survey for 1986-87, published yesterday, which says that the country's economy "has moved onto a higher growth path" compared with the 1970s trend of 3.5 per cent. A growth of about 5 per cent is expected this year.

reserves are "comfortable," equivalent to four months' im-ports, the "overall balance of payments position remains difficult." It refers only briefly to problems faced on the country's debt service ratio which it claims stands at a satisfactory level of 17 per cent.

The Government's resource position "continues to be under heavy pressure because of rapid increases in expenditure commitments." The report provides the on defence, interest payments backcloth for the country's and major food and other sub-annual budget, which will be sidies take up 70 per cent of

vious year. There is also concern about consumer prices which are at 7.8 per cent compared with about 6 per cent for the wholesale price index.

Anthony Robinson reports on the violent problem of faction fighting

co-ordination.

policies."

Volatile times for S African miners

THE South African mining industry will be exposed to its most critical analysis yet by black miners at this year's annual congress of the National Union of Mineworkers (NUM) which starts in Johannesburg

Safety and working conditions will be high on the agenda in the wake of last year's Kiuross gold mine disaster, as will demands for prompt action to eliminate the last vestiges of racially-biased job reservation. But underlying this year's congress will be mounting pressure for drastic changes to the century-old migrant labour system after a bloody 12 months of faction fighting in which over 130 black miners have lost their

As black miners have union-ised and become more aware of their collective strength, inten-sive research has shed light on the increasing cost and un-acceptability of the migrant labour system which lies at the root of the problem.

For over a century the recruit-ment of migrant black miners from a pre-industrial rural and tribal background in neighbour-ing states and black homelands



The century-old migrant labour system causes outbreaks which last year cost 130 black miners' lives.

the most obvious symptom. where over 80 men have died in the past conflicts have in at least five serious out-often begun as fights over breaks, are both controlled by women, drink, theft or rowdy Anglo American Corporation, visitors to a hostel. In the conwhich is the most "liberal"

For over a century Basotho miners, with few employment opportunities at home in the independent mountainous kingdom surrounded by South Africa, have been the most Africa, have been the most stable element in the migrant mine labour force. In the Orange Free State gold mines, only two hours' drive from the capital of Maseru, they make up 80 per cent of the labour force in several mines. Accumulation of skills and seniority ensures that the 109,000 Basothos hold many of the best paid and most responsible jobs. Their strong position in the industry was reinforced after the legalisation of black trade unions when Basotho miners soon gained a powerful position in the union heirarchy.

Ironically, this re-created within the union similar ethnic tensions to those down the mine itself. The problem became more acute as the union extended its recruiting to more lower-paid Xhosa-speaking and

other miners.

Basotho-Khosa tensions rose further after the Lesotho coup when the military council, while encouraging Basotho miners to continue with their strictly "workerist" trade

in the past conflicts have often begun as fights over women, drink, theft or rower has given the industry cheek of the begun as fights over worker. Housing migrant work from the obstel organised on tribally-organised at creating a more stable, better paid and skilled work-force, the migrant labour legacy is proving a major headache for both management and the unions.

Both are now finding that minoisation, the spill - over effect of political unrest, government threats to reparting from a normal production and housing political tribally organised tribally organised or tribally organised or tribally organised or tribally organised or tribally-organised or tribally-organised

PRESSURE FOR Japan to spur hot water with the opposition housing loan operation, a shift Ministry domestic demand is growing at and members of his own party from a zero-growth budget to a Trade and home, as well as abroad, in the over a proposed sales tax. Mr stimulative budget is not exceed to be considered in the more proposed to be considered in the more proposed to be considered in the more proposed. Trade and Industry (Miti) said

> his term beyond this year.
>
> Current plans for pumppriming are on the usual,
> limited scale of bringing forof the ven's appreciation. Although the drop in the index for mining and manu-facturing output was slight—a 0.3 per cent drop to 121.5—the instruments increased 4.8 per cent, but general machinery out-put dropped 6.9 per cent ward contracts for public works projects earlier than scheduled. Although various other schemes are under con-

Pressure rises on Nakasone to spur economy

home, as well as abroad, in the wake of the recent Paris agreements on economic policy ments on o-ordination.

Speaking at a party gather principle now could seriously fell for the first time in 11 cent from the same period a party fell for the first time in 11 cent from the first time in 11 cent from the first time in 11 cent from the first time in 12 cent decline in exports in the wake Production

Canberra plans mini-budget to cut spending Indian economy in trouble

machinery was up 6 per cent and the output of precision

not constitute an offer of, or invitation to subscribe for or purchase, any securities.

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Application has been made to the Council of The Stock Exchange for the Notes, Issued at a price of 100 per cent. plus accrued interest from March 1, 1987, to be admitted to the Official List. Interest on the Notes is payable quarterly in arrear. The first payment falls due on March 31, 1987.

Listing Particulars relating to the Notes and the Issuer are available in the Extel Statistical Service and copies may be obtained

during usual business hours up to and including February 27, 1987 from the Company Announcements Office of The Stock Exchange and up to and including March 11, 1987 from: NHL First Funding Corporation PLC St. Catherine's Court

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February 25, 1987

And the second of the second o

Price Waterhouse given reprimand for 'cover up'

largest UK accountancy firm, was officially reprimanded vesterday by the Joint Disciplinary Scheme (JDS) of the accountancy professional bodies for its role in covering up an attempted fraud by a public company it was auditing.

The reprimand, the most serious delivered against a large accountancy firm, comes after an eightvear investigation of the Department of Trade and Industry into Bryanston Finance, a secondary bank, and a two and a half year enquiry by the JDS.

Price Waterhouse, Bryanston's former auditors, appealed against the JDS findings, which were not published until yesterday, a process which took another year. Price Waterhouse has now been ordered to pay £273,000 as a contribution to the total inquiry costs of £476,000.

In what it describes as its "longest and most complex enquiry, the JDS singles out for criticism Mr Peter Ainger, a Price Waterhouse senior audit partner. His case has been referred to a hearing of the disciplinary committee of the Institute of Chartered Acountants in ing notes on its audit file.

confidence" in Mr Ainger.

PRICE WATERHOUSE, the third detail about our audit," he said. tive directors of its discovery, which "But the business and regulatory climate at the time was entirely difhave done differently."

The report of the JDS committee of inquiry, which was upheld in full on appeal, relates to the years 1973 and 1974. Some 34 of the 80 Price Waterhouse partners at the time, who are listed individually in the report, remain partners today.

At the time, Price Waterhouse was the auditor to Bryanston and to a subsidiary, Amalgamated Indus-trials Limited (AIL). The companies were run by two men, Mr Teddy Smith, a hatmaker, and Mr Per Hegard, a Norwegian, who were both severely criticised by the Trade Department report in 1983.

The first criticism in the JDS report relates to a sale - and subsequent repurchase - of two properties by a Bryanston subsidiary at an Price Waterhouse, says the report, made a serious error of judgment in failing to inform the Bryanston failing to probe the matter further board of the "improper leakage" of in its 1973 audit, despite the warn-

The most serious criticism of the Mr Jeffrey Bowman, Price Water- firm relates to its conduct on dishouse's senior partner, said last covering that some of AIL's directions of night that his firm would have to covering that some of AIL's directions of the covering that some of AIL's direction of the covering that some of the covering that some of the covering that some of the covering that the covering that the covering that some of the covering that accept the reprimand with regret, accounting aimed at deceiving the report. It concludes that the firm although it retained the "utmost shareholders of Bryanston, a public fell below the standard of conduct

led to its resignation as auditors.

At the company's 1974 annual general meeting, Price Waterhouse failed to state the true reasons for its resignation but concurred with the statement that it was "by mutual agreement." Mr Ainger prepared a statement in answer to possible questions, which would have misled the meeting, the report finds.

In a letter in June 1974, Price Waterhouse told Arthur Andersen, one of the replacement anditing firms, that "we know of no professional reason why you should not accept appointment as auditors." It made no mention of the attempted fraud.

The report suggests that Price Waterhouse should possibly have remained as auditors until the situation was fully rectified.

The report adds that the firm made serious errors of judgment in failing to qualify the 1973 accounts inflated price for the purpose of failing to qualify the 1973 accounts boosting the company's profits. for both Bryanston and AIL Price Waterhouse is also criticised for interest income on a deposit from a Bryanston-owned bank to a private bank of Mr A. T. Smith, the Bryan-

company. Price Waterhouse made efficiency and competence to be ex-"If the same case arose today, we "a most serious error of judgment" pected of the auditors of public com-would probably talk in much more in failing to inform the non-execupanies.

Late entrant to newspaper war British Coal 'should 'not just a spoiling operation'

LORD BOTHERMERE, chairman of Associated Newspapers, said yesterday the resurn Evening News was intended to be a permanent newspaper and not just a spoiling operation for Mr Robert Maxwell's London Daily

"It is intended to be a proper newspaper and a permanent newspaper and a very good one," said Lord Rothermere, speaking from New York where he was on a business trip.

The aim was to assemble journalists and increase the number of editions. The paper would probably come out for at least two or three months to gauge de-

mand.
"If the market is there, and I helieve it is, the paper will be here for a long time," Lord Roth-ermere promised. As of yester-day afternoon for the first time since the 1950s Londoners had the choice of three newspapers to buy, even if the Evening News was showing clear signs of hav-ing been put together by a tiny team of journalists in less than a

"The Sunday Pictorial was put together in seven days. We have done it in six days. I think that has got to be a record," said Lord

The proprietor of both the Mail

and the Mail on Sunday added that it was almost certainly the least expensive newspaper launch in history. The final cost, he said, was likely to be less than

£500,000. It was the Monday before last that Lord Rothermere, in Tokyo for a Euromoney conference asked the Evening Standard board to begin planning a resur-rection of the Evening News on the day of the London Dally

And so it was that yesterday Am so it was that yesterny the 24-page, single-edition, 125,000 print run paper, with one City of London story and only four journalists' by-lines, had beber of 30,600. The Evening News closed in October 1989 on issue

number 39,599.

The London Daily News came out a little late for its debut but Mr Maxwell was quickly claim-ing a sell-out for his gold top, early morning edition.
Just under 1m copies of the

five-edition 24-hour paper were printed it is claimed although news vendors in the central Lon-don area reported interest, it was "less than a sensational re-sponse" according to one. The London circulation war

the Labour members' objections and hard-hitting report published enabling privatising B and hard-hitting report published enabling priv yesterday after a year-long inquiry pete with it into the coal industry.

However, to

prised seven Conservative Party and four Labour Party members. Calling for changes in the status

report says ownership of coal reserves should in future be vested in proving efficiency, it also rejected assurances that the wave of colliery coal extraction should be undertak-en by the Department of Energy. At ing of a further "haemmorhage" of present, operators of open-cast sites . jobs if oil prices remained low.

lose legal ownership of coal reserves'

of its legal ownership of the nation's coal reserves, conferred on it merly the National Coal Board. at the time of nationalisation 40 years ago the Conservative House of Commons select committee for Energy said yesterday.

However, for the immediate future the corporation should remain in the public sector, it added. Labour Party members of the committee quickly dissociated themselves from the proposals

ing privatisation" of the coal industry under the present Government. industry. The committee's proposals - and

The committee, under the chair-

and structure of the industry, the its handling of colliery closures.

BRITISH COAL should be stripped and small deep mines have to ob-

Such changes would represent a significant shift in the status of the coal industry since its nationalisa-

At a press conference to launch the report, Mr Geoffrey Lofthouse (Labour) said: "I oppose completely any idea of privatising the coal industry." He was "not convinced" by assurances by the Prime Minister which they claimed point to "creep- and the Energy Secretary that ing privatisation" of the coal indus- there was no plan to privatise the

> Mr Peter Rost, (Conservative) said that the report did not propose privatising British Coal but merely enabling private companies to com-

However, the committee was outspokenly united in criticising Britmanship of Sir Ian Lloyd, com-prised seven Conservative Party ernment, which it said lacked a credible policy for coal. It accused British Coal of lack of frankness in

1167

7

Glaxo anti-ulcer drug wins 'over half of world market'

BY TONY JACKSON

ment Zantac have beaten expectations in the current financial year, the group said yesterday. The drug, claimed to be the world's biggest with sales of over \$1bn, now has over 51 per cent of the world mar-

In a three-way presentation to investors in New York, London and Edinburgh, the group said sales of

drug could gain another two percentage points of market share in the next 12 to 18 months.

Thereafter Zantac's share would decline, Mr Taylor said, however, increases in the market overall would allow good growth, though at a declining rate, at least until the end of the decade.

SALES of Glaxo's anti-ulcer treat- tor. said he was confident that the new drugs a year for the next five years. Dr David Jack, research director, said: "Even if we manage half that many, we will be in a very

Glazo said that this year it aimed to bring out two new products. Ceftin, a cephalosporin antibiotic, was expected to be launched in the US in the second half of the year. "We Zantac could continue to grow by up to 25 per cent a year. Mr Bernard Taylor, group managing direction in the fifth year," the potential to bring out two major in the Taylor said. believe world sales of the product

Third Market turnover falls to low of £2.1m

BY ALICE RAWSTHORN

THE Third Market, the nea forum for dealings in small companies' shares, had its dullest week yet last week, with a turnover of just £2.1m according to the Stock Exchange.
Since its introduction four weeks

ago, the market's performance has been erratic. In its opening week, interest from individual investors created a flurry of business worth £5.26m. Turnover fell to £2.57m in the second week, but staged an apparent recovery to £4.64m in the

Since the first week, demand for third tier shares has been concentrated on one company, Eglinton

Last week the pace of business in Eglinton slowed and the dearth of interest in other Third Market shares pushed turnover down significantly. Nonetheless, Corton Beach, the holding company which announced an acquisition last

week, enjoyed brisk trading. The Third Market Index. compiled by the stockbrokers. Credit Suisse Buckmaster & Moore, rose by just 0.4 per cent to 95.5 during the week, compared with a buoyant week for the main stock market.

composed of small, speculative com-Oil & Gas which, as the largest panies, it was expected to emerge stock on the market, has dominated as a relatively illiquid forum. The litrading. Market makers report quidity problem has, however, been sluggish demand for the other commore severe than most traders had

Assurers campaign to keep life intermediaries independent

BY NICK BUNKER, INSURANCE CORRESPONDENT

ance industry heated up yesterday an independent adviser.
as 12 major life companies revealed Camifa will also aim to help indeplans for a £6.5m publicity campendent intermediaries who want commission income. paign to help independent life in to keep their autonomy after the Many might then termediaries survive the impact of implementation of the Financial

new regulations.

The group includes Standard

Life, Europe's biggest mutual life meet the cost of joining the Finanbigges office, Scottish Widows, Scottish cial Intermediaries, Managers and nies.

Amicable and Norwich Union. Camifa - the Campaign for Inde- latory bodies. pendent Advice. The Camifa companies take nearly all their business sponse to fears that the new act will

THE battle for Britain's life assur- awareness of the value of going to dependence because of the costs of

Brokers Regulatory Association, They will be known jointly as one of the industry's new self-regu-The proposed campaign is a re-

from independent agents, rather drastically cut the number of inde-than selling via a direct sales force. pendent agents selling life and unit

complying with the act, coupled with the impact of a squeeze on

Many might then become "tied agents," acting as direct salesmen for big players such as Allied Dunbar and Abbey Life, the UK's two biggest "unit-linked" life compa-

Camifa said it would organise a series of seminars for intermediaries in June, to set out the costs and

benefits of staying independent.

Mr Bill Morrison, Scottish Life's general manager, said he thought Camifa was making a mistake by They intend to launch "a vigorous trust products.

They intend to launch "a vigorous trust products.

Campaign" on television and in the companational press to increase public termediaries will sacrifice their independent intermediaries.

Argyll Group PLC

has acquired

Safeway Food Stores Limited

from

Safeway Stores, Incorporated

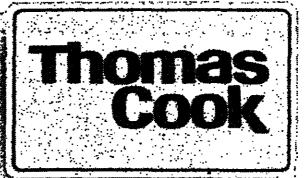
The undersigned acted as financial advisor to Argyll Group PLC and as a lead underwriter of a placing of £621 million of new Argyll equity.

The First Boston Corporation

Credit Suisse First Boston Limited

February 25, 1987

There's only one travel money service with no strings attached.



It's no surprise that building societies are noticing a sudden upsurge in their popularity. The Government has, after all, relaxed the rules about what they can and cannot do.

As a building society executive, you're very probably being bombarded with offers to help broaden your service to investors. (And anyone else who walks in off the street, for that matter.)

about, in one form or another, and a lot of it will be financed by building society So it makes sense to provide an attractive, profitable and well-promoted travel money

Take travel money. There's a lot of it

package as part of your overall service. The trouble is that you can't always be sure of the motives behind any offer which may come your way. Could it, perhaps, be little more than a convenient means of access to your customer base?

Thomas Cook Financial Services Travel money service with no strings

Thankfully, there is an exception. The travel money service from Thomas Cook Financial Services. It comes with no hidden extras. No ulterior motives. No strings,

As the world's leading travel money specialists, we've no interest in current accounts, savings accounts, loans or credit. Quite simply, we want to do business with you, not your customers.

Complete the coupon, and we'll let you in on the full story.

A story of the world's largest and most welcomed range of destination travellers cheques. Of fast and efficient delivery of prepacked foreign currency banknotes. Of simple administration and high profitability.

A story of personalised order forms, cheque covers, promotional literature and point-of-sale materials.

A story of fact, not fiction.

rowing, and scope for higher spend-

ing on priorities such as defence,

law and order, pensions and the

She reaffirmed her belief that

"the citizen is entitled to keep the

lion's share of his earnings", and in answer to questions said the Gov-

ernment would have to keep "a

higher tax rates, particularly in re-

lation to the US, because of the

need to keep the best managers in

"Britain's industrial base is now

healthier than at any time at least a

generation." These remarks led to a

Telecom and its rival, Mercury

tions (Oftel). Oftel is the industry's

regulatory body.

The exchange system, called Centrex, is common in the US but so far

almost unknown in Europe. It

works like a private switchboard

dedicated to the individual needs of

It can thus offer businesses the

change without the headaches of in-

stallation and maintenance, and

provides more flexibility as the telecommunications needs of a com-

The Telecommunications Engi-

trade association, is concerned,

first about discrimination against

private exchange manufacturers in

the approvals mechanism for new

New private exchanges which are

to be linked to the public network

have to go through a lengthy testmme. The manufacturers

argue this to be an expensive and time consuming business to which

Centrex would not be exposed. "Centrex should not be allowed to

tariff structure for Centrex.

ent and, second, about the

within a public exchange.

Centrex system

BY TERRY DODSWORTH AND DAVID THOMAS

'unfair competition'

A NEW telephone exchange system Mr Michael Hart marketing manag

about to be introduced by British er of Philips Business Systems said

Communications, could take a large the private exchange manufactur-slice of the private exchange mar-ers, BT and Mercury could subsi-kets through unfair competition, dise Centrex from their other oper-

makers of private exchanges have ations. The association wants Oftel

told the Office of Telecommunica- to lay down rules to prevent such

business customers, but is located introduction of Centrex carefully to

use of a sophisticated digital ex-

neering and Manufacturing Asso- change orders is likely to be for

Andrew Taylor and Peter Riddell report on the Institute of Directors' annual convention

ebruary 25 ila

The Committee Bay the minimals N 454 21 045555 275 The San Control of the San Contr

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and a second

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The second second

steam ahead while we have to spend a lot of money on approvals," Lautro proposals attacked

By Eric Short

THE Life Insurance Association (LIA) has attacked the commission scale for life assurance and unit trust sales proposed last month by claims, according to the annual an the Life Assurance and Unit Trust Regulatory Organisation (Lautro). Lautro is proposed as the supervisory body for life assurance and unit trust industries under the financial services legislation.

increases in house insurance premiums as a result. Over the past two Ms Christine Leach, the associa-tion's president, described the pro-posals as impractical in a letter to Mr Brian Wright, chairman of Lautro's commissions committee. Ms Leach also warned of its disastrous count of more severe winter weathimpact on small independent in-

The proposed commissions scale would radically change current practices in commission payments, which the LIA says would cut in-come to independent intermedia-ries while financial services legislation was imposing substantial extra

The LIA is particularly concerned over the proposal to spread initial commission payments over the first few years of the contract, rather than over the first year. It is also worried at the proposal that if life companies give lump sum indemnity payments they must discount at the rate of 1 per cent per month.

rate increases accelerated during the year from 15.3 per cent at the beginning to 23 per cent by December. Many of the big insurance com-panies, including General Accident, Royal Insurance and Eagle Star, The LIA says that indemnity with no discount is currently the norm in life assurance. Ms Leach predicts made three increases during the that the new scales will leave intermediaries unable to afford to

Warburg Securities does not ex-pect these increases to restore the give their present level of service. The association also attacks the companies motor accounts to profit. It forecasts further big increases other major change in the propos-als, that of cutting commission payin motor premium rates this year, albeit at a slightly lower level than ents on life bonds to harmonise with that paid on unit trusts.



ebullient speech

strong attack from Mr Neil Kinnock, the Labour leader, during authorities.

Prime Minister's questions and later Industrial relations. She higher from Mr Roy Hattersley, Lalighted yesterday's Green Paper
bour's economics spokesman, both (discussion document) as "further close eye" on the "very worrying" output and comparative international level of 1979 levels.

the themes of the next Conserva- pation of sterling in the European tive election manifesto. This follows Monetary System at present. She the completion of the reports of 11 said: "We could not have achieved policy groups which are now being the value of sterling now, both in restudied by the small strategy com- lation to the dollar and the D-Mark, mittee of senior ministers. The Prime Minister highlighted: EMS."

On the second issue, according to

Mr Barry Hannan, sales director of Telephone Rentals, a leading dis-

tributor of private exchanges, said:

"We don't even know what the ta-

Oftel said it would examine the

ensure fair competition. It had.

however, no intention of holding up

Meanwhile, BT's next round of

orders for public exchanges has been delayed, partly because for the

first time it has asked its suppliers

The next round of public ex-

four exchanges with a total of about

pected in January, but may not now

One of the delaying factors is u

derstood to be the complexities in specifying for Centrex including

BT's demand that the Centrex facil

ities on System X and System Y the two big public exchange sys-

exchange in the City of London will

Weather

insurers

By Eric Short

claims hit

LAST month's snowstorms could

cost insurance companies in the UK

about £350m in severe weather

alysis of the UK insurance market by Warburg Securities - the securi-ties division of Mercury Interna-

However, it does not expect large

years the insurance companies have substantially increased their

house building rates to take ac-

The survey also does not expect insurance companies to make more

than selective increases to their

house contents insurance rates

raised in 1984 and 1985. Last year

the companies made only selective increases to these rates.

It is a different picture for private

motor insurance. The survey says that UK insurance companies last

get their motor accounts back in balance to offset rising claims.

The 12-month moving, average of

tems, must be fully compatible BT plans to open a third Centre exchange later this year. Mercury hopes its first 10,000-line Centrex

start operating in April.

Decisions on this round w

he made until next month.

riffs for Centrex will be."

tomers might want to use.

to offer Centrex.

600,000 to 750,000 lines.

cross subsidisation.

parliamentary session to introduce a unified national business rate over a transitional period of five or six years, and to transform domestic rates and the rate support grant system.

Sunday trading. A continued search for "an agreed and reasonable way" of amending the current law but "until we have got some kind of agreement I do not think there is much point in bringing for-ward legislation." She rejected the option of leaving the issue to local

of whom said that manufacturing strengthening the rights of the indioutput and investment were below vidual in relation to trade unions." Mrs Thatcher reiterated her Mrs Thatcher also set out some of strong objections to the full partici-

 Education, more power for head teachers, parents and governors, more choice in inner-city schools, and a basic national curriculum of certain subjects and tests of attainment throughout schooling.

• A rates reform bill, in the next

that we have had we been in the

Thatcher sets out radical Britain 'needs cuts in taxes and more imaginative leaders'

BRITAIN needs bold far-sighted and imaginative leaders in government and business. It also needs moral role to play in the wake of retax cuts, more capitalism and by implication another five years of John Hoskyns told the conference. To rules are broken and corners conservative government, accord—"If rules are broken and corners of feeling the conference of th

a speech which took the need for training for leadership in govern-ment and the business as its main

He attacked 30 years of leader-less education that had left "a significant proportion of our young people illiterate and innumerate. "Many of our younger people lack

even the basic education need to take part in the economic process. We are short of people with techni-cal skills. Senior managers and company directors are notoriously weak in their understanding of financial management. Most important of all, said Sir

John, was to teach people how to think clearly, boldly and with imagination: the essential ingredients of leadership in government and He claimed the campaign to re-duce taxation, backed by the insti-

Conservative government, according to Sir John Hoskyns, the institute's director-general.

Sir John Move these strands into a speech which took the need for training for leadership in government, according to the straining of the straining for leadership in government, according to the straining for leading to th out to be the only system which of-ters any hope of material improve-

> ing leadership that was required by He gave a warning that compa-nies operating increasingly in a global market, could easily move their operations elsewhere if government

made life too difficult for them. The policy framework they (government) offer to business must match those on offer elsewhere in the world. If it does not, business will take its skills, its investing power and its employment opportunities abroad leaving its domestic government to deal with economic

and social consequences." Sir John, said that it was absolutely essential that the Government's present economic policies tute, was the kind of forward-look-

Rover chief attacks 'failure of education to serve industry'

industry requires," Mr Graham Day, chairman and chief executive of the Rover car group told the con-

Mr Day said courses organised by colleges and universities too of-ten failed to meet the needs of industry and commerce, which were trying to grapple with a rapidly changing environment.

Management could be criticised

for not putting enough emphasis, thought and investment into retraining throughout all aspects of business, he said.

Continuous retraining to cope "I have a continuing concern that rather than those of the with changing technology and pro-

or totally new skills cannot be quires. viewed as a one-off exercise. Indeed, the time is close upon us when, for the most part, skills en-

ployment," said Mr Day.

Military technicians, aircraft pilots and surgeons were already used to continuous training or re-

BRITAIN'S education system was duction practices was as essential including the formal educational process, are not producing the agerial talent which business and workers. "The process of acquiring 'top-up' business and industry currently re-

> "All too often the typical short course for the manager offers inhancement will become an ongoing process in the normal course of em-

> training. Courses ought to be more rele-Retraining was also necessary vant to managerial development for both managers and individuals
>
> Too many are directed towards the
> whose skills had become obsolete.
> Thave a continuing concern that

City 'must spend more on training'

THE City of London needs to spend more on retraining to protect its in-tegrity and profit fully from the deregulation of financial markets, said Sir Kenneth Berrill, chairman of the Securities and Investment

The SIB this month applied to the Government to become the overall regulating agency for the financial services industry.

Sir Kenneth told the conference that deregulation meant new skills

The creation of large financial conglomerates offering a wide range of competing investment markets developed he would expect products caused new problems. The greater emphasis to be placed on public had to be protected from con-flicts of interest within investment supplying investment services. groups over the products they recommended. There were also wor-

devoted to new trading floors and combat insider trading.

Sir Kenneth said that as financial

Asked whether the SIB's rules on ries over fraud and insider trading. insider trading unfairly discouraged company directors from hold-Companies had, however, spent ing and trading shares, the SIB only a small amount on retraining chairman said the rules were not an by comparison with the large sums unfair compromise and would help

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If you buy your company car fleet your costs are just beginning.

Swan National's Open Disclosure policy can prove that our Contract Hire not you home service. only gives you more benefits but also saves

Swan National Contract Hire The benefits

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arrives.

*We review the contract history of your fleet and reflect the benefits in future contract pricing.

3. Pre-contract Cars. Order a factory-released vehicle and we'll provide a temporary car until it

4. <u>Service around the Clock.</u> We offer roadside assistance every

5. Accident Repairs Damaged vehicles are rapidly repaired

6. Guaranteed Mobility.
We offer a replacement car service

nationwide at contract rates.

from around 100 offices nationwide. 7. Better Cars, Better Rates. If your drivers look after our cars, we

reflect the savings in our rates. 8 Car Repatriation. We move any car to any location nationwide, at cost.

9 Fleet Insurance Plan.
Insurance premiums can be fixed for: contract life, and included in the rental.

10. Fleet Fuel Monitor Card.
Offers free fuel credit facilities at over hour of the day, and free out-of-hours get 10,000 UK outlets, plus weekly statements and cost analysis.

11. Massive Financial Resources.
With the support of the TSB, our parent company, no fleet finance programme is too large for us.

12. The Big Fleet League.
Our massive buying power gets you the best deals available, always.

All of which means, letting us 'buy' your company cars saves you time, trouble and money. For details call our Consultant on 01-684 0011.





Take the bull by the horns...

The new year has begun with a bang. The Dow attained a benchmark 2000 on January 8th and continues its trend-setting pace; reaching 2191 a mere month later.

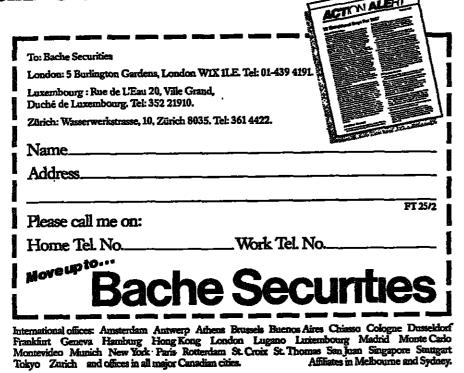
We think this bull market will continue in the months to come and our new "Action Alert" sets out our strategy for making the most of the early season's opportunities.

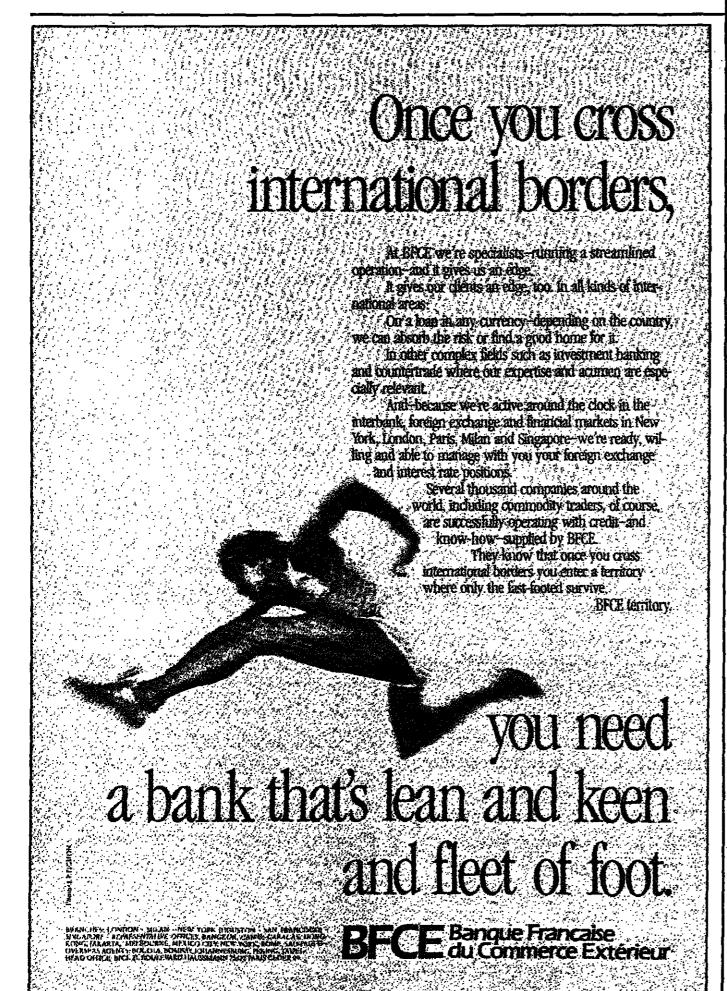
Compiled by Prudential-Bache research analysts, our new "Action Alert" presents an overview of the 1987 equity market and lists twelve stocks that offer real growth potential. We think the way is clear for investors to isolate selected issues that should outperform the market. Secondary stocks, high unit growth and domestic US. companies are likely to do well and we see our selections offering superior earnings growth potential for the future.

As an international financial services organisation with global trading and research facilities, we have the resources to put current market trends into perspective. (And of course to advise you on all markets – not just the U.S.)

If you'd like to get the full picture, send for your copy of our "Action Alert".

with our new Action Alert.





UK NEWS

Tourism funds increased 28% to create new jobs

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

THE English Tourist Board yesterday outlined plans to significantly boost investment in English tourism and create some 250,000 new jobs over the next five years.

The English Tourist Board yestervisitors, including fares paid to British 2,000 tourism projects, genthan 2,000 tourism projects, genthan

The move is backed by the Goverament, which announced yesterday that it is increasing the board's tourism development fund by 28 per cent in the next financial year to

The board's direct grant is also being raised from £10.3m at present to £11.3m in the next financial year. The English Tourist Board hopes

these funds will enable it to encou-rage capital spending projects such as indoor leisure resorts, holiday villages, conference and exhibition facilities, and hotel schemes. Mr Duncan Bluck, the board's chairman, said yesterday that "our

target is to stimulate £3hn to £4hn

of investment in the tourism indus-

try over the next five years." The board hopes that such investment will help almost to double the amount spent by tourists in Eng-land over the next five years - from £11bn last year to £21bn by 1991. Some £5.2bn, was spent last year by domestic tourists in England, with £5.9bn coming from overseas

250,000 new jobs over the next five

Lord Young, the Employment Secretary, yesterday welcomed the board's development plans. "By encouraging tourism we are supporting a great growth industry and one which will continue to make a major contribution to the prosperity of

this country," he said. "But the key to success must be the industry's willingness to invest its own resources in the future," he

Tourism is now one of Britain's major industries, with tourists in England, Scotland, and Wales spending some £13bn last year. Tourism accounts for about 5 per cent of the UK's gross national product and symplect some 1.4m product and employs some 14m people either directly or indirectly. This is about one in every 15 of the

The board's new development programme – called "A Vision for "It is o England" – replaces the previous scheme operating over the past four years. During this time, the board jects."

The cornerstone of the board's new programme is a special innova-tion fund to assist projects with cap-ital costs above £100,000. Smaller developments will continue to be assisted by the regional tourist

boards.
The board hopes that these two schemes alone will stimulate capi-tal investment of £600m over the next five years, and create 33,000 new jobs. This represents about a fifth of the board's target for total investment and some 14 per cent of the overall job forecast.

The bulk of the capital investment and job creation will, how-ever, come directly from private investment. The board plans to create the right framework to encourage

"The tourism industry is a private sector industry and long may it re-main so," said Mr Bluck yesterday. "It is our job in the English Tourist Board to encourage and stimulate investment in tourism-related pro-

The committee, headed by Lord

Nelson of Stafford, recommends

that the Transport Secretary should

chair an advisory council comprised

port needs and a stimulus for re-

The peers reject any sort of cen-

Innovation in Surface Transport Touse of Lords Select Committee

ce and Technology; HMSO

search and development.

back city colleges By Michael Dixon

HANSON TRUST, the industrial conglomerate, and Lucas ladustries, the automotive components and engineering group, yesterday emerged as the first business backers of the Government's planned city technology colleges (CIC). Hanson is to provide Elm for the

Lucas and

Hanson to

first of the 20 proposed colleges which, Mr Kenneth Baker, Education Secretary, announced yester-day, is to open in Solihull, West Midlands, in September 1988. Lucas will give managerial aid,

including the services of a senior executive to supervise the detailed preparations. The site, formerly used by Kingshurst School, is being made available by the Solihull local

education authority.

Plans for the semi-independent colleges, which will cater for selected 11 to 18-year-olds with practical aptitudes for technology, design and scientific work, were an-nounced by Mr Baker in October.

His plan is that companies and other private sponsors will furnish capital of at least film and form trusts which will own and manage the new institutions, which are to be set up mainly in urban areas. The running costs will be met directly by central government if it is satisfied with the equipment, staf-fing and curriculum provided.

Ministers see the scheme as the spearhead of Tory hopes of resur-recting a semi-independent sector of schooling outside the control of local education authorities. The colleges will also reverse the comprehensive school movement, by pronensive school movement, by pro-viding a more specialised secondary education to children with appropri-ate aptitudes.

Mr Baker's plan has been strong-ly opposed from the outset by estab-lished educational interests, includquite simply not enough" when compared with the potential benefits of an improved transport sys-

ing local authority associations, as well as teachers' unions.

The announcement of Hanson of leading figures in the transport industries, local government and academic research. The council would be a furum to review trans-Trust's and Lucas Industries' backing of the project was accompanied by a protest from the Association of Metropolitan Authorities that the colleges "are not relevant to the needs of the cities: we see that they could do great damage and waste public money." The National Association of Head

trained national planning for trans-port but say that governments "can give a strong lead in transport poli-Teachers emphasised that it "remains firmly opposed to the intro-duction of these colleges because cy and ensure there is a stable they go against the principle . . . of helping all children and young peo-ple. CICs will help only some at the expense of others."

> British Petroleum officials concerned with education have voiced doubts about the scheme in case it damages their good relations with the local authorities

But Sir Gordon White, chairman of Hanson Industries, said in Solicularly hoped for in France, Italy hull yesterday that the scheme was and Shain.

Worldwide XJ-S sales rose 17 per cent last year to a record 8,820 cars.

Too few XJ-S cars had been sold to justify fitting an automatic to the six-cylinder model. But the move has become viable following the launch late last year of the XJ salonoss, which use the same engine launch late last year of the A Sa Services Alta, rata Damas Will spend £500,000 over the next five years to support a Financial Services Research Centre set up by range, including electronic engine ment at the University of Manchesmanagement and trim improve ter Institute of Service and Technol-

Study into Government urged to Clyde as develop transport **Europort**

A STUDY is to be made of the feasibility of using the Clyde estuary as a terminal for transatiantic shipping destined for Continental Europe when the Channel Tunnel comes into operation in the 1990s. The Scottish Office is to pay half the cost of the study.

The Edinburgh-based consultants PIEDA are to examine a concept proposed by Mr John Davidson, Di-rector of the CBI Scotland, and christened Eurowestport. It is based on the premise that since the Clyde estuary is 30 hours sailing time closer to North America than Continental ports, there could be advantages for shippers in having cargo officeded from ships onto trains in the Clyde estuary and transported by rail to the rest of Eu-

The scheme would make use of ports such as the bulk terminal at inal at Greenock on the Lower Clyde. Hunterston might have to be expanded. It might also be necessary to upgrade the M74/A74 Glasgow-Carlisle road to motorway standard throughout, and improve local roads around Hunterston. But no figure has been put on the scheme so far.

The Scottish Office is to contribute up to £8,000 to the study, which is being commissioned by the Clyde Port Authority. An attempt by the Scottish Office to obtain finance for the study from the EEC Commission in Brussels has been abandoned after no firm answer was re-

Mr Davidson believes that Eurowestport, if it were found to be workable, would enable the west of Scotland to benefit more from the Channel Tunnel project.

FINANCIAL TIMES REPORTER

A TOP-LEVEL advisory council for ment of Transport's £25m research the transport industries is recom- and development budget "seems the transport industries is recom-mended today by a House of Lords committee which criticises the amount spent by the Department of

The committee calls for government to give "more positive sup-port" to the development of the road and rail system. It says that West Germany, France and the Netherlands - which were visited by the committee members - all give transport a higher priority than the

"Transport accounts for up to 29 per cent of the UK gross domestic product," says the committee on science and technology in a report on importion in surface transport, on importion in surface transport. "If the system is not capable of moving people and goods efficient-ly, the country will be the loser in

The peers say that the Depart-

Jaguar model launched JAGUAR, the huxury car maker, ex-pects a further boost in sales of its per cent this year. Growth is parti-

XJ-S coupe and cabriolet models this year after today's launch of six-cylinder models fitted with a West German-built ZF automatic trans-

Jaguar said yesterday that it had been "under some pressure" from potential buyers to produce an auto-matic version of the six-cylinder HJS. The automatic option has to date been available only on the V12engined XJ-S, which has a General Motors transmission.

The new versions increase the XJ-S range to six models, and Jag-uar hopes they will belp increase

per cent this year. Growth is parti-

Worldwide XJ-S sales rose 17 per

Jaguar also announced specifica-Jaguar also announced specifica-tion changes across the XI-S model the Management Sciences Depart-

This advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange

Application has been made to the Council of The Stock Exchange for the whole of the issued Ordinary share capital of RCO Holdings PLC to be admitted to the Official List. It is expected that the Ordinary shares will be admitted to the Official List on 27 February 1987, and that dealings will commence on 3 March 1987.

RCO Holdings PLC

Placing by

Kleinwort Grieveson and Co

1,650,000 Ordinary shares of 10p each at 95p per share

The principal activity of RCO Holdings PLC is the provision of cleaning and related services to clients at commercial and industrial sites, military establishments and hospitals throughout England.

Share Capital

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Authorised

£1,500,000

in Ordinary shares of 10p each

The Ordinary shares now being placed will rank in full for all dividends and other distributions bereafter declared, made or paid, save that they will not rank for the dividend declared on 19 February 1987, to be paid on 1 April 1987.

Particulars relating to RCO Holdings PLC are available in the statistical service of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 27 February 1987, for collection only, from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 2JX and up to and including 11 March 1987, from:

RCO Holdings PLC RCO House, 149-157 Kings Road Brentwood, Essex CM14 4EG

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25 February 1987.

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FOLLOW THESE 5 SIMPLE RULES AND YOU TOO COULD MAKE \$464,000,000.

To look at the burgeoning profits of Hanson Trust, one might imagine we had glimpsed the business equivalent of the Philosopher's Stone.

In fact, our secret is far more prosaic. We have simply established a few rules which guide every decision we make.

As you read them, they may seem like nothing more than good old-fashioned common sense. We wouldn't disagree.

1. ALWAYS PUT THE INTERESTS OF SHAREHOLDERS FIRST.

Hanson Trust doesn't belong to the management. It belongs to some 165,000 shareholders. It is therefore our duty always to put their interests first.

2. INVEST IN BASIC INDUSTRIES.

We invest in industries providing basic goods and essential services to proven markets. Thus, our shareholders are spared the hazards of changing fashions and leap-frogging technology.

3. ALWAYS CONSIDER THE DOWNSIDE RISK.

When considering an acquisition, our first question is "How much could we lose if it all goes wrong?" And if the answer makes us nervous, then we don't proceed.

4. AGREE BUDGETS WITH OPERATING COMPANIES.

BUT NEVER INTERFERE DAY-TO-DAY.

If an operating company wants to develop a new product, or, indeed, paint it sky blue pink, that's fine by us. They simply tell us the cost, the benefits and the attendant risk.

Provided we agree their budget, it will then be up to them to come up with the goods as promised.

5. REWARD EXCELLENCE.

We all need a little motivation in this life.

Thus our share option scheme is reserved not for a chosen few, but spread widely amongst managers throughout our operating companies.

Furthermore, when any one of them turns in an exceptional performance they receive an equally exceptional bonus.

Now you know the secret of our success. But if you wish to emulate it, you'll have some catching up to do.

For 23 consecutive years we have turned in record profits, and last year's reached £464,000,000.

So those rules of ours are indeed golden ones.

HANSONTRUST

A company from over here that's also doing rather well over there.

TECHNOLOGY

What drives the DAT revolution

Carla Rapoport in Tokyo looks at the technology behind digital audio tape

"ANNOUNCING the greatest technical advance in the history of home sound recording," said the Aiwa brochure in buge letters. 'That may or may not be true, but digital audio tape (DAT) is certainly causing one of the greatest controversies in the history of sound recording. The technology which makes

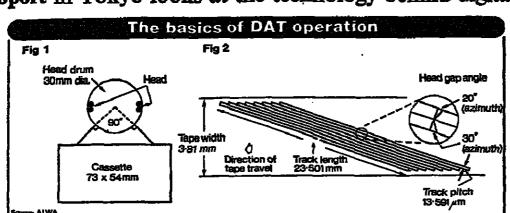
DAT so special is also its undoing, according to the international music industry. DAT recorders use the binary language of computers to store and reproduce sound, a system which is almost completely immune to distortion, noise and immune to distortion, noise and imperfections. The result is music reproduction which equals or surpasses the quality of compact discs. But DAT can also erase and re-record. It is this ability, according to the music industry, which would allow wholesale copyright infringement, and undermine the music business.

Nonetheless, four leading Japanese electronics companies Sony, Matsushita, Aiwa and harp—unveiled DAT products time being.

Although the companies do not say so directly, it is under-stood that the industry hopes to sell the product in Europe and sized, the DAT deck is not the US by the end of this year Aiwa's is 43 cm by 42 cm and at the latest. As a result, it is hoping to catch the eye of retailers and consumers worldwide before the controversy over copyright infringement gathers 90 per cent of consumer electronics manufacturing world-wide, and it is quietly hoping that the attractions of the product will help it win over consumers and thus, ultimately, the music industry.

Based on the technology of the video cassette recorder, DAT players have a rotating head which "reads" the tape, in much the same way as video cassette recorders (VCRs) cassette recorders (VCRs) "read" videotapes. Its cassettes. which are about half the size of conventional compact cassettes. look like tiny video cassettes as they are almost entirely enclosed by their plastic case. The tape itself is based on the same magnetic metal powder material used in conventional cassettes.

Although the close-box design of the cassette will protect it from fingers and dust, DAT by



nature is more vulnerable to deterioration than the compact disc (CD). This is because the DAT player's rotary head is in constant contact with the tape while compact discs are touched only by the laser beam which "reads" the pre-recorded music on the disc.

This reason, plus the current popularity of CD players and their lower price, leads the industry to predict that DAT will not supplant CD sales, at least Sharp—unveiled DAT products popularly or CD players and in Tokyo last week and JVC is their lower price, leads the inexpected to announce a DAT dustry to predict that DAT will system this week. As the controversy surrounding DAT is not for many years. Manufacentred in Europe and the US, not for many years. Manufacentred in Europe and the US, turers say DAT will replace anamarketing plans are limited to the domestic market for the market. Alwa forecasts that DAT will enlarge Japan's market. Aiwa forecasts that DAT will enlarge Japan's domestic sales of tape recorders fivefold by the mid-1990s.

Although the cassette is minisized, the DAT deck is not. weighs 11 kg. The cassette is loaded by means of a front tray which automatically rejects an improperly loaded cassette. Once loaded, the tape is guided around the rotary head (see diaaround the rotary head (see classification). The relatively small the signals are recorded.

The signa



Sony's contender in the DAT battle: Tapes are about half the size of conventional cassettes.

6 decibels, but pointed out

pact construction of the DAT logue compact cassette. However, the speed of the machine cassette.

The rotating head, or drun, has two smaller heads located on either side. When one of these heads is not in contact with the tape, audio signals are retained in the machine's memory. When contact is made, the signals are recorded.

The speed of the speed of the machine is slowed by the heads, which rotate past the moving tape at speed of 33.3 rotations a yen 180,000 (US\$1,170) and yen 200,000 (\$1.300). But the tape speed of 3.1 metres per second. (Fig 2 shows the track format). Quick searches, such down. Most say that production as fast forward, are 200 times costs should be no higher than normal tape speed.

CHIP WITH AN EYE TO COPYRIGHT PROTECTION

THE Japanese believe they are protecting the copyright owners by their own "Copy owners by their own "Copy Inhibit" system which they have worked into the DAT machines. Copy Inhibit is integrated into one of the machine's main LSI (large-scale integration) chips and prevents direct digital-todigital copying of compact discs (CDs) by DAT. In order to remove the Copy Inhibit, the consumer would have to replace the LSI with

new, custom-designed This chip obliges the con-

that this loss in quality is a or her CDs to use a conven-tional analogue ampifier, thereby routelng the sound from digital output to one-off event. Fature copies made of this tape by a DAT machine would not suffer any analogue and back to digital. So far, no Japanese companies have given demonstrations of this process, but most say the deterioration of sound quality would be hard further loss in quality, Industry analysis expect

small chip designing com-panies in Japan to come out quickly with a replacement chip for the Copy Inhibit unit, thus enabling retailers for the average consumer to to replace one with the other. for the manufacturer's part, they say such an operation would be risky because the consumer would lose his warranty rights. Sony said at a press con ference last week that the loss would be equivalent to

search function on a compact

disc player.
Currently, the cassette will record two hours of music, although Japanese engineers expect that capacity to expand to six hours. DAT also offers a large subcode capacity, which means that information other than music can be put on the tape. This information, which includes the number of songs and where a song or speech be-gins and ends, will allow the user to do simple programming of his or her tape. Matsushita's machines, for example, can pro-gramme and play up to 99 selec-

tions in any order of play.

All the DAT machines also have a mechanism called Skip ID, which allows the consumer to programme a tape of, say, a radio programme, by skipping over all the narration and commercials. For example, if this function was available on a VCR, the user could tape a television programme to show only the drama, not the commercial

DAT also has an intro-play function, which allows the listener to hear the first eight seconds of each song on the tape. DAT's dynamic range, which measures the sound range from the lowest to highest tone, is 90 decibels. This is slightly higher than that of CDs. The average listener, however, would not notice any appre-ciable difference between CD

costs should be no higher than those for making CD players, and they are seeking to reach parity with CD prices within two years. As for miniaturising the DAT machine to a nortable stereo size, Sony says this may take three or four years.

Sony's belief that the music industry will come to love DAT was underlined at its press conference last week when it also announced a duplication system for software production. The machine, for which Sony will accept orders in the spring, can be connected to a CD mastering system and will operate up to 50 DAT slave recorders at one time. The speed will be real time, not high speed duplica-

A high-speed duplicator, Sony says, has passed the prototype stage and "is now on its way to commercialisation."

WORTH WATCHING

Edited by Geoffrey Charlish

How French can snap up burgiars

SYLKON, an electronics company in the South of France, has developed a security system for business premises which will photograph the in-truders, ring the police and tell them the address. It will also phone the owner at home and, if desired, send him a picture of the scene over the

telephone line.

The control unit can deal with nine intrusion signals from ultrasonic detectors, volumetric radars (they sweep over a known volume of the premises) and from standard electrical break circuits in items like floor pads and windows.
Following an input from

any of the detectors, the unit can ring three numbers, per-haps the police, the owner's home and a private security firm, and deliver a spoken message of up to 40 words. In France, the unit uses the Minitel system (similar to British Telecom's Pressel in the UK) to send a still picture of what is seen by the Sylkon's cameras.

Large-scale fax use by Lloyds

LLOYDS BANK in the UK is putting 1,800 facsimile machines into its High Street branches and its head office departments. It is the first UK bank to use fax on such a large scale. The £3m order for

machines went to the Japanese company Canon. Facsimile transmission is expected by Lloyds to improve services for customers through the rapid transmission of information between bank offices, and between the bank's branches and

Viewdata gets the picture

IN THE UK, British Telecom and the Tunbridge Wells company Viewtext have jointly launched a private viewdata (videotex) system that is able to send colour stills in about half a minute over ordinary telephone lines. Viewdata is a standard for-mat and phoneline transmis-

sion system for text and graphics and is used by the BT Prestel public informa-tion service for display on TV menitors. Viewtext's system uses the same technology but is for the formation of private systems by companies that need to send colour pictures as well as text and graphics.

Viewtext's marketing manager Denise Closier believes travel agents will be the first to use the system but she is also talking to estate agents and picture libraries. Picture quality is equivalent to that or domestic television in the on domestic television in the

The starting price for those not already equipped with a private viewdata main computer is from £20,000, plus the cost of IBM personal computers/ software as working terminals, and the cost of colour cameras.

Cleaner cut for holes in walls

PLUMBERS builders, making a hole through a brick wall to run service pipes is often a question of hammer and cold



know how ragged the result can be.

Using a system called Cor-Bor 1909 offered by Fixings Delivery of Redhill, UK, perfectly neat holes up to 152 mm (6 in) in diameter can be cut in stugle or double leaf walls. Very little Reise

Ford manage **quality** with Husky

is produced because only rotary motion with diamond cutters is used (no hammer THE

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TANT

Personal touch to answering service

AN IBM personal computer (or a compatible machine) can be turned into a speech and data communications unit using an £800 plug-in printed circuit board introduced by Lion System Developments, of High Wycombe in the UK.

The board, called Orator, is connected to both telephone handset and the phone line. Then, by using the keyboard as directed by menus that appear on the screen, the user can have telephone answering facilities (with the times recorded) and a tele-AN IBM personal computer

times recorded) and a tele-phone directory with search phone directory with search and short-code dialling. In addition, remote data services can be accessed, elec-tronic mail sent and collected, data files transferred else-where or screens of viewdata information saved for later

All voice signals are digitised and recorded, along with data, on the PC's disc unit.

Big screen role for Mitsubishi

MITSUBISHI ELECTRIC has launched a £4,000 colour display monitor with a 37 in diagonal tube. It is aimed mainly at teaching and

mainly at teaching and exhibition applications.
Designated XC-3719, the giant monitor has scanning systems that enable it to work in almost any display mode from television confermation. encing to computer aided design, business graphics and videotex.

Contacts:

Lion System Developments: UK, 024026 3951, Canon (UK): London, 773 3178, Sylkon: Nice, France, 9355 1758. Fixings Delivery: UK, 0787 67656, View-text: UK, 0892 511000. Mitsu-bishi Electric: UK office, 0924

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AT&T previously traded under the name The Bell System, which was established within years of Alexander Graham Bell inventing the telephone in 1876. From there AT&T grew to become the largest telecommunications company in the world, and until recently was the leading telephone system of the USA. Today, AT&T has still the

most advanced telecommunications network in the world serving with local companies the needs of over 90 million subscribers.

Philips is Europe's largest electronics company, manufacturing a wide range of professional and consumer products and components. Even so, it is no stranger to the world of telecommunications. It was one of the first to develop a public telephone exchange with solid state cross-points, a breakthrough at the time. As for today, the name Philips is synonymous with innovation

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uary 25 1987

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3 Screen role

Mitsubishi

SUBISHI ELECTRICA sched a \$4,000 colored monitor with a fi-journal tube. It is a fill at teaching a fibration applications.

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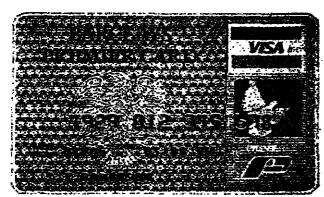
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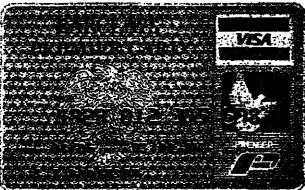
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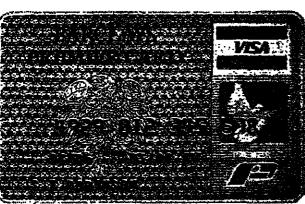


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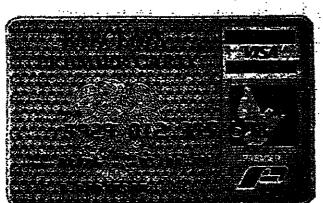


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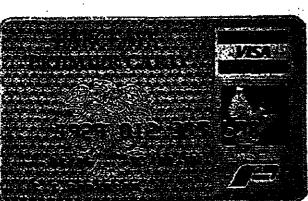




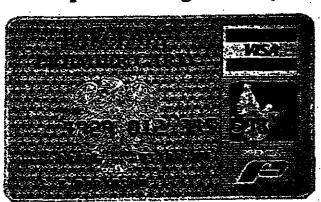
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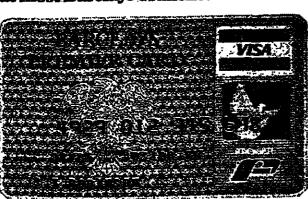
Emergency office facilities in over 60 countries.



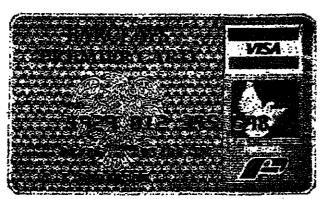
Telephone orders for travellers cheques and foreign currency.



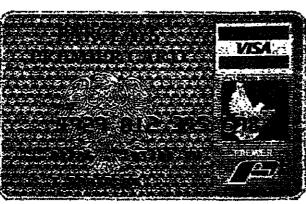
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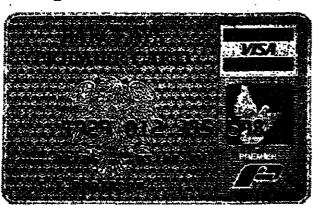
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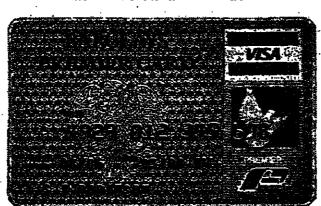
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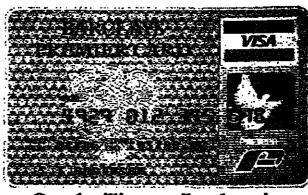
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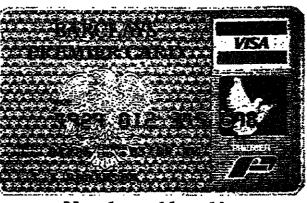
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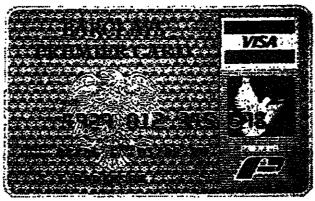
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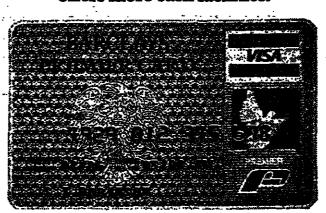
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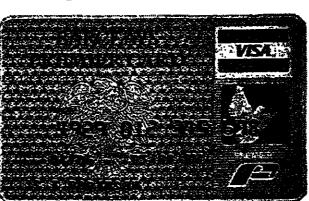
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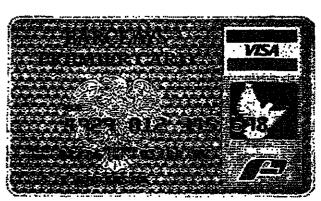


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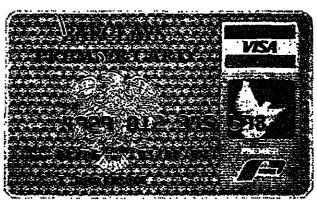
You don't have to move your bank account to get one.

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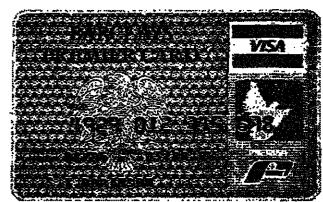


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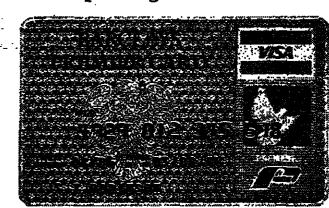
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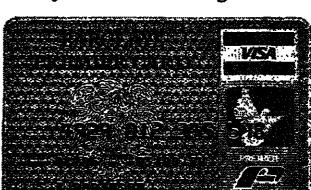
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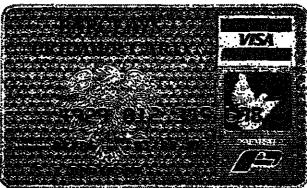
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FT LAW REPORTS

Safeway Stores, Incorporated (formerly Safeway Stores Holdings Corporation, a corporation formed by Kohlberg Kravis Roberts & Co.)

has sold

Safeway Food Stores Limited

an indirect, wholly owned subsidiary

Argyll Group PLC

The undersigned acted as financial advisor to Safeway Stores, Incorporated in this transaction.

MORGAN STANLEY INTERNATIONAL

February 25, 1987

Freedom of company to leave UK is question for European Court REGINA v HM TREASURY, be paid as the price of emigration. EX PARTE DAILY MAIL AND GENERAL TRUST PLC Mr Justice Macpherson: Queen's Bench Division (Crown Office List): February 6 1987 A COMPANY'S freedom to transfer its residence, without Treasury consent, from the UK to another EEC country with less burdensome the UK to another EEC country with less burdensome the Income and Corporation for the right to establish in another state. Mr Buxton for the Treasury stressed the continuing English nature of the company. He said that its ambition to avoid UK tax was solely the concern of EEC state. The company submitted that the force of section 482 of the Treasury's refusal to accept that the force of section 482 of the Income and Corporation which wished to establish themselves in order to perform economic community without protective barriers of any kind protective barriers of any ki

open to doubt and which should be clarified by the European Court before it can finally be decided by the English court. Mr Justice Macpherson so

held when referring a question to the European Court of to the European Court of Justice in an application by invstment company, Daily Mail and General Trust pic, for judicial review of the Treasury's process review of the Treasury's refusal to acknowledge that it could cease to reside in the UK without Treasury consent.

Article 52 of the Treaty of Stantially determinative of the Stantial the European Economic Community (EEC) provides: ".... authority closely in point establishment of nationals of a member citate in the targeties."

establishment of handlas of a member state in the territory of another . . . shall be abolished . . . Freedom of establishment shall include the right to . . . Set up . . . com-

right to ... set up ... to ... panies. ... "
Section 2(1) of the European Communities Act 1972:
"All ... rights ... under the Treaties ... are without further enactment to be given legal effect ... in the United Kingdom ... " Kingdom. . ."
Section 482(1) of the Income

the consent of the Treasury
...: (a) for a body corporate
resident in the United Kingdom
to cease to be so resident."

HIS LORDSHIP said that on

from some of the more swingeing taxation provisions which
applied to it when resident in
the UK, and from certain
burdensome provisions concerning the stock market price of
its shares.
The Inland Revenue replied

that the force of section 482 of the Income and Corporation Taxes Act 1970 was under-mined by article 52 of the Treaty of the European Econo-mic Community (EEC) and sec-tion 2(1) of the European Com-munities Act 1972, and should be declared unlawful. It was necessary that the case should be referred to the Euro-

should be referred to the Euro-pean Court, not simply because a serious point of EEC law arose, but for the following

authority closely in point;

4—The point raised and the case itself were put forward in good faith and without any adverse motive;

5—At some stage in its life the case would have to be referred to Europe;

6—The point was not free small me allowed to derogate from the EEC's overall interests, which included the outlawing of avoidance of national taxes.

Section 482 survived from the days in 1950 and 1960 when UK companies wished to avoid high taxation in the UK and so manipulated their shareholdings to

from doubt.

The arguments of Mr reach of the Revenue.

Vaughan for the company were The court's inclinate that article 52 had direct effect that the beneficiaries of the rights under article 52 were Kingdom..."

Section 482(1) of the Income and Corporation Taxes Act 1970: "... all transactions of the following classes shall be unlawful unless carried out with the consent of the Treasury ...; (a) for a body corporate of an investment company was an economic activity to be protected and covered by the economic objectives and rights

HIS LORDSHIP said that on March 1 1984 the company submitted to the Treasury an application to cease to be resident in the UK.

It put all its cards on the table. The primary reasons were fiscal. It wished to escape that the company was wrongly from some of the more swinger which listing itself in Holland. He

its shares.

The Inland Revenue replied and correspondence and meetings followed. The Revenue's or firms was, said Mr Vaughan, attitude was that very substan-

activities in their chosen country. Section 482 did not restrict the company's wish to become an active participant in economic activity in Holland, since it could do that by establishing an agency, branch or subsidiary.

As to the company's argument based on Directive 184 of 1973, Mr. Buxton said that neither the principles nor the detailed rules implementing the treaty rights

economic community without protective barriers of any kind for persons or corporations, or trade generally—the creation, in other words, of a true common market.

It was appropriate that the European Court should be asked to consider the matter. The necessary reference was made so as to enable the English court eventually to give its judgment.

implementing the treaty rights set out in the Directive had any

application to corporations.

He stressed that nothing should be allowed to derogate from the EEC's overall interests, which included the out-

erred to Europe; taxation in the UK and so mani-6—The point was not free pulated their shareholdings to divert dividends beyond the

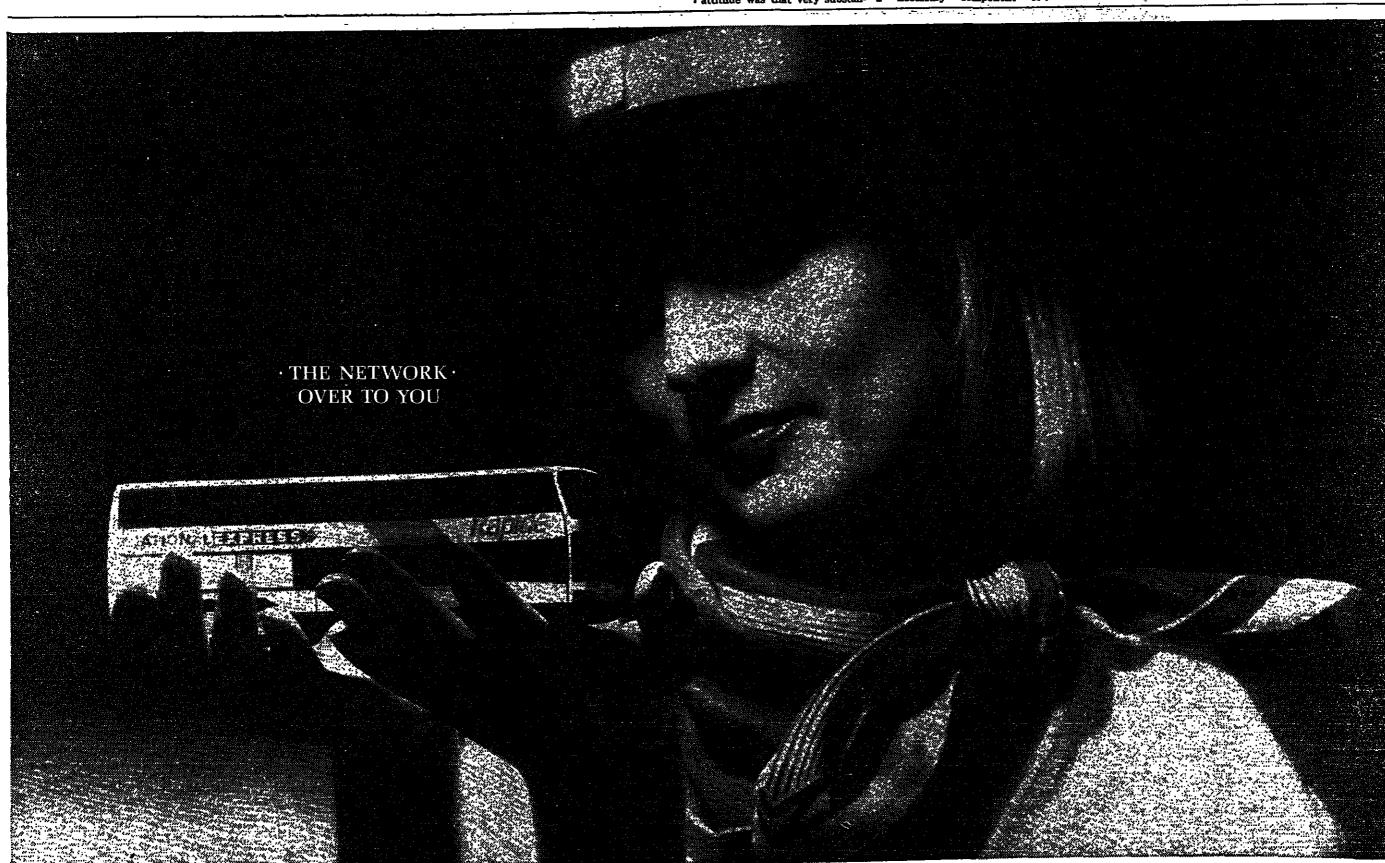
its judgment.

For the company: David Vaughan QC and Derrick Wyatt (Freshfields). For the Treasury: Richard Buxton QC and Alan Moses (Treasury Solicitor).

By Rachel Davies

THESE REPORTS are published in volume form with the axation in the UK and so mani-ulated their shareholdings to livert dividends beyond the each of the Revenue. House, 68, Kingsway, London, The court's inclination was to WCZB 6BD. Phone 01-831 0391.





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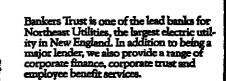
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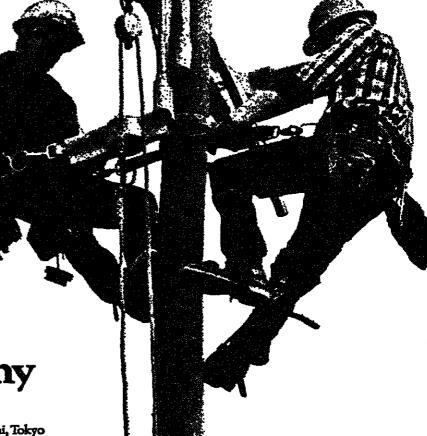
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REVOLUTIONS happen rarely in the insurance industry. Buffeted by North America's vicious underwriting cycles, the biggest players have to combat deep-seated cynicism about their powers to make radical

So the rejuvenation of Royal Insurance, one of Britain's leading insurers, has evoked little public comment beyond its dis-tinctive, domed group head-quarters opposite the Bank of England in London's Cornhill. Yet the Royal has been through "a revolution," in the words of Ian Reynolds, its former group strategist, who now works for Tillinghast, the con-

sulting actuaries. Its central thrust has been an attempt to place insurance underwriters back in their rightful place as the chief profit centres of any insurance com-

pany. In the 1970s, the industry's observers argue, insurance companies in Britain and the US simply lost their flair for underwriting. Instead, they relied on investment income to take them into the black. The results—at times—have been

catastrophic.

With premium income that totalled nearly £3bn in 1985, the Royal is the largest Britishbased company writing insur-ance for companies and individuals against fire, theft, car crashes, legal liabilities and all the other risks that nature or a

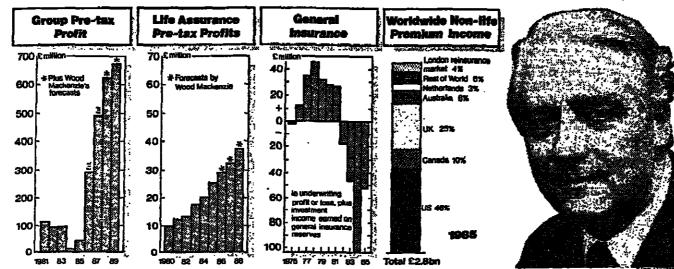
complex society create.

If the Royal has staged a minor revolution—and there are many sceptics—then its roots go back to the late 1970s, when the company saw its share of the US market, its biggest territory, slide to below one per

cent. The need for change became still more urgent when the North American general in-surance cycle reached what should have been its nadir in 1982—then went on falling,

According to Alan Horsford.

underwriters to slash premium rates in pursuit of poor-quality,



_____.

Nick Bunker explains the underwriters' more crucial role in the UK insurer's US operations

Royal pushes risks back down the line

In the UK, where Boston That strategy had left the To reinforce accountability, Consulting Group, the manager Royal vulnerable to competitors branch managers in the US are ment consultants, completed a which could write at a zero paid a basic salary, plus a perreport on the Royal late last underwriting profit and make formance element based on year, the slogan is "Staying their money from investment profitability.

Ahead." The aim is to concening income inflated by high interest.

The problem so far as general the problem income inflated by high interest. trate underwriting decision- rates. making in 12 main area offices The traced back to a simple truth about the nature of insurance underwriting, according to Horsford.

"The fact is that whatever "general insurance result" we say at group head office, gives a far clearer picture of the underwriting—the taking of real financial mechanics.

package. charged Structural change started in markets.

Interest in phospholarity, in poor-quarty, incommanding risks.

The Royal believes that a Horsford's predecessor—took series of management and mare over as the Royal's chief general manager. The group was and agents.

The managers, Then "branch managers," charged with fostering ties with competent insurance brokers and agents. to mose ideals.

In the US, the process of reform was called "Shaping the New Royal": its most conspicuous feature was a cost-cupting reform was a cost-cupting reform to the US, the process of reform was called "Shaping the New Royal": its most conspicuous feature was a cost-cupting reform to the US, the process of reform a ground a central holding a book of insurance business from a ground of agents.

The Royal also changed its second reform the US, the process of reform the US, t

The Royal's response was to with a network of sub-branches. express its group financial. The roots of reform can be objectives in a new way, in terms of a "general insurance result," including investment income earned on its reserves.

Horsford's view is that the

Then, from 1982, a series of mass of individual decisions reforms was begun at a lower proud boast that he can finance taken on the basis of very level. Starting in North necessary expansion without a According to Alan Horstord, the courteous, silver-haired Liverpudian who took over as the Royal's group chief executive two years ago: "We said to ourselves: if we're going to lose ourselves: if we're going to lose responsibility to the lowest managers, combining marketing answers lie

"branch managers,"

hattan to Charlotte, North writing profit in every depart- packages for big corporate most cyclical British-based nonustomers. life insurer, because of its ex-To reinforce accountability, posure to the US. customers. Royal has taken big steps

paid a basic salary, plus a per-formance element based on perceptions of Royal are con-cerned is that outsiders still tend to ignore the company's internal reforms. Bullish stockbrokers fore-

casts have been circulating in the run-up to the Royal's annual results tomorrow. But investors have drawn their optimism from the prolonged upturn in US premium rates that started in 1984, and from Horsford's necessary expansion without a rights issue for at least another

ourselves: if we're going to lose market share, then let it be for the right reasons."

In other words: concentrate on building up well-managed portfolios of profitable insurance business. Don't let market pressures force your performance-related earnings at thrining insurance business. Based at thrining insurance business and at thrining insurance business. Royal's internal changes? The managers, combining marketing skills.

So George Ansbro, head of the tit wedded indissolubly to created new underwriting skills.

So George Ansbro, head of the tit wedded indissolubly to created new underwriting staff colors of fits total and the devotve responsibility to the lowest underwriters into business.

So George Ansbro, head of the tit wedded indissolubly to created new underwriting staff colors of fits total and underwriting staff colors of profitable insurance business. Don't let underwriters—by devising a performance-related earnings office "product managers, combining marketing and underwriting skills.

So George Ansbro, head of the Royal's internal changes? The managers, combining marketing and underwriting skills.

So George Ansbro, head of the Royal's US operations, close on 60 per cent of its total positions. First were head of the Royal's underwriting skills.

So George Ansbro, head of the Royal's US operations, close on 60 per cent of its total underwriting skills.

So George Ansbro, head of the Royal's US operations, close on 60 per cent of its total underwriters were head of the Royal's US operations, close on 60 per cent of its total underwriters were head of the Royal's US operations. So George Ansbro, head of the Royal's US operations, close on 60 per cent of its total under left it wedded indissolubly to years of highly competitive North America, the source of price-cutting culminated in close on 60 per cent of its total 1984, when the nation's property and casualty insurers In Horsford's words: "It's a counsel of despair to say that

credibility problem. On the one

£670m in 1989. But analysts have

towards diversification—by, for instance, setting out to expand the size and importance of Royal Re, its London-based reinsurance operation. Biggest of all, in 1985 it paid £93m for Lloyd's Life, the British life assurance company (renamed Royal Heritage).

It has moved to secure its British general insurance base by, for instance, more preciselytargeted marketing packages aimed at homeowners and motorists, and by taking stakes in estate agency chains. But the US underwriting

cycle still casts its shadow. Three years of great pros-Why so little attention to the Royal's internal changes? The a huge influx of capital into the a huge influx of capital into the US insurance industry

A débacle followed. Five we can't operate successfully in income still left them with a the US. It's the world's biggest bottom-line catastrophe. As a result, there are two

Therein has lain the Royal's ways of making a case against redibility problem. On the one the Royal. The first rests on a hand, its medium-term future fundamental lack of faith in household insurance business looks bright. Wood Mackenzie, the Edinburgh stockbroker, is forecasting group pre-tax profits rising from £290m in 1988 to price-wars, huge claims arising figh quality business from high the first results of the fight from damage awards by state net worth individuals—such as long and federal courts, and the senior executives of the broker's cutting relocation of the Royal's its old objective of simply ally-located specialists handle. But analysts have long and federal courts, and the senior executives head office from Lower Man-making a 5 per cent under-individually-tailored insurance marked out the Royal as the vagaries of regulators in 50 dif-corporate clients.

ferent state insurance depart-If the US industry committed

virtual financial suicide from 1982 to 1984, then it will do so again, the argument runs. The second argument against the Royal is that it must be measured against its US rivals —which have made parallel management and marketing reforms. "They've all had to cut costs. Otherwise they'd be bankrupt," says David Seifer of First Boston, the New York investment bank.

So have Royal's initiatives in the US done more than just keep it in line with the pack? The question will be hard to answer until the US industry has been through another down-

For their part, the Royal's senior executives are unequi-vocal that their North American reforms have been the biggest they have made this century. Apart from relocation of the US headquarters the number of regional divisions in the US has been halved to seven.

In contrast, the number of branches has risen to 50, in line with a policy of description.

with a policy of decentralisa-

Even so, the Royal is still left with a mix of business in the US - 70 per cent commercial. and 30 per cent personal insur-ance — which it knows is not ideal, because commercial business has by far the most violent underwriting cycle.

The problem is that the Royal has always written its

US business through indepen-dent agents. That leaves it with an in-built cost disadvantage when competing against companies like the huge Illinois-based State Farm, a mutual personal lines insurer which has had explosive growth post-1945 as a result of dealing direct with the public.

One solution—to become a direct writer—has been ruled out by Horsford. Years ago, management consultants in Canada concluded that the penalties in lost business from agents would be too great. There are other possibilities. Since 1982, the Royal has cut the number of its US agents from 5,000 to 3,000—with the aim of eliminating the weaker brethren.

It has tried to imitate US insurers like the New Jersey-based Chubb Corporation, which writes a big volume of personal possessions insurance for the wealthy. Royal has a special arrangement—"a niche opera-tion," says Horsford—to handle all the personal motor and household insurance business

Crusading for clear strategy

BY CHRISTOPHER LORENZ

A FAMILY goes out for a tioning, the synthesis and the Sunday afternoon trip in the action."

car. But it has no idea where Under Beck's chairmanship it is going. So it either starts quarrelling, or gets lost—or does both.

The same prinicple applies to companies. Far too many of them either have no goals at all, other than cost reduction, or their boss hides them in his head, complains Peter Beck, who has spent the last three years as the crusading chairman of Britain's Strategic Planning Society.

"There's no hope for com-There's no nope for com-panies in Britain unless more top managements accept the need for a widely communi-cated set of clear objectives," warns Beck. "Just articulat-ing them in the bath is useless."

Beck, who retired three years ago from his post as UK plan-ning director for Shell - one of the world's pioneers of strategic planning — blames the lack of strategic clarity in many British companies on several factors, including: the realisation that forecasting is well-nigh impos-sible in today's business environment; the lack of mana gerial competence in many companies; and, above all, the frequent absence of strong leader-

in the car, one need not — in many cases, should not — plan to set route for getting there. "This is such a simple concept that I don't understand why most top managers fail to use

In contrast with the elaborate strategic planning of the 1980s and 1970s, which earned planning a bad name when it became too bureaucratic and failed to work, Beck prefers the looser term "strategic thinking." ing."

As chairman of a small, fast-growing microelectronics company, Beck rejects the popu-lar argument that strategic thinking is beyond the reach of all but the larger company. "I find that the strategic com-petence questions we looked at in Shell are identical with those "Only then can marketing, that come up in small com-design, manufacturing cost panies. You don't need formal reduction and so on all fit planning cycles there, but you together. do need the discipline, the ques- don't."

the Strategic Planning Society has been transformed from a learned society for specialist planners into a learning society for anyone involved in corporfor anyone involved in corporate strategy. This is partly in response to the fact that many specialist corporate planning departments have been disbanded or cut to a fraction of their previous size, and their responsibilities devolved to line management. management.

By offering a wider range of activities, including broader interest conferences and a more extensive network of regional study groups and round table meetings, the society has begun shifting its membership towards general management. Among its events later this year Among its events later this year will be the first UK conference for several years given by Peter Drucker, the famous management pundit, and the first British seminar by Kenichi Ohmae, head of McKinsey & Co in Japan and originator of the fashionable doctrine of

Frustration

Even without reliable fore-casts, it is perfectly possible to have a clear vision of where one wants to go declar-But Beck, and his successor one wants to go, declares planning in comparison with such "bot" topics as manhabitation the car, one need not such "bot" topics as marketing planning and product design— both of which are being pro-moted by the Department of Trade and Industry.

Marketing cannot succeed without strategic planning, Beck says emphatically. "If you have a marketing strategy that falls foul of your manufacturing capability, for example, you've had it.

"I find it difficult to understand how government can start proselytising about design one year, and marketing the next, wihout starting at the beginning —by recognising that the corporation first needs a goal to aim at, and must then examine its competitors and its own strengths and weaknesses, before deciding how it's going to get there.

· Otherwise,



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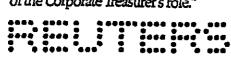
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can cultiful impertains "—I was asked to give my answer again and make it simpler. I said I thought I had already been making it pretty simple, what was the trouble? Well, for instance, I had talked about "60 per cent of programmes" and most viewers would not understand what for per cent

understand what 60 per cent meant. You would not I was

throughout the history of broad-casting, or do they, as I begin

ing in heated apartments above

the Fenice theatre the bizarre co-production of Scottish Opera

is already very prevalent in the Biennale, where the theme shows grow more and more unwieldy every year, and given

Palazzo Grassi's exquisite exhibi-

ting spaces, high-powered cul-tural marketing, and intention

flooded basements and Scirocco-swept piazzas, was awakened and historical legitimacy. How-earlier thi smooth by intima-ever, this is the first time that

swept pizzzas, was awakened earlier thi smonth by intimations of Carnival 1987. The Palazzo Grassi saw a fruity extinction of painterly conceits, and it is an collections, and it is an

impressive exercise.

rism & Futurisms. Increased the more modest Arcimboldo exhibition is overshadowed by this grandiloquent debut although it too suffers from a similar predisposition to the matic over-extension. This matic over-extension. This well be a form of cultural to the matic over-extension. This around a central sculptural element, according to a speculative theory of Sven Alfons that the paintings were compared to the 19th and 20th century, selectively skipping this imitators. In the main imitators. In the main the enjoyable and stimulating establishes a more coherent the establishes a more coherent the extension of the four Elements and the establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the enjoyable and stimulating establishes a more coherent the extension of the four Elements and the extension of th

paedic world programme. This appears an interesting idea, if a little surprising, when we are

a little surprising, when we are informed elsewhere in the catalogue that the paintings were presented to the court as part of a great allegorical nuptial procession, designed by Arcimboldo in August 1571. However, as neither of these complex ideas are made clear from the documentation within the exhibition, much of the arcane supporting material in this and other rooms is rather puzzling to the spectator without refer-

to the spectator without reference to the catalogue.

What does come through how-ever is that the elaboration of elements which make up Arcim-

"What's special about these

Danish companies?"

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Skandinavisk Tobakskompagni, Statsanstalten for Livstorsikring, The

rism & Futurisms. Inevitably Arcimboldo's ceuvre and charts ten's claims for Arcimboldo as fentasies.

to make its exhibitions pay, may be difficult to resist in future Arcimboldo, a 16th century Milanese painter, spent most of his working life in the Hapsburg courts of Vienna and Prague designing court festivals and producing a small body of allegorical portrait heads composed of fruit, flowers and other natural elements. These composite heads, ignored for many centuries, have become familiar boldo's composite portraits-

mail meeting P Grand Ballroom

alergrounder !

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Television/Christopher Dunkley

The slide towards the trivial gathers pace

At the end of a recent filmed interview for a television programme in which I tried to explain the idea of "Eurotelly" trot which could at any time trot which co The first is an increase in the rate of cultural howl-round: the way in which Terry Wogan be-comes not merely a moderately competent TV chat show host, but a monster " celebrity " taken up by all the other mass media; the way that tabloid newspapers exploit the popularity of television soap operas to sell more copies which, in turn, has the effect of increasing the popularity of the soaps. This increasingly symbiotic relationship between mass circulation newspapers and magazines on the one side and television (and to a smaller extent radio) on the other depends almost exclusively on the popular. The second reason is that the

been predicted for so long is actually beginning to happen at last and, just as the Cassandras warned us, the revolutionaries seem to have practically no interest in high quality. Whether you look at the in-April a Beverley Hills company which already provides television bingo in the US will launch "Internations" television bingo in the US will or at the increasing number of launch "International TV outlets, the overwhelming con-Bingo" via satellite in Europe. cern in both cases is the demo-The service will be weekly to tic. Television simply cannot begin with but is expected "to get enough darts, game shows Increase to a daily feed within the first year."

Are these just three hap the revolution would bring a fer, the point being that even if there was to be more dross than ever before, there would subject matter can become much



Blankety Blank: more of the same?

since, obviously, 10 per cent (say) of 200 hours or 200 channels is a lot better than 10 per hypercent to true to appeal to hypercent to true to appeal to cent of 20 hours or 20 channels. But it begins to look as though we shall be denied our percen-

There is one sense in which the Cassandras are wrong. Satellite and cable enable broadcasters to supply single-subject channels, with one dedicated to Are these just three haphazard examples of the sort of event you could find at any time throughout the history of the proportion would be that I prothroughout the history of the sort of programmes that I pro-

physical world and are woven into a complex system of political symbolism (celebrating the "demigods" of Austria who ruled the elements and the seasons). But they are imaginative conceits, puns about dual

Here the notion seems to be

be then it must be the Arcim-boldo revolution. From moving expensive neon-lit infrastruc-

that if it isn't what it seems to

pictures to Odilon Redon, from

collage to cubism, from Duchamp to Dali, Pollock to

Saint Phalle, the most tenuous links are established between radically different ideologies

and artistic movements. Because

the material has been chosen to

illustrate different theses-phenomenological, structuralist,

psychological, surrealist, accord-

ing to the catalogue—the choice

of exhibits as they unfold in sequence appears arbitrary and

The Arcimboldo Effect/Palazzo Grassi, Venice

Deanna Petherbridge

Hibernating Venice, slumbericons in our times, resutrected the fruit, the fire, the fish and key works, like Duchamp's The
by the apologists of surrealism the fowl—arise out of a renaisiconded basements and Sciroccoin their search for dream images sance philosophical system of Youngster, put in, no doubt, to
and historical legitimacy. Howarilier thi smooth by intimaever, this is the first time that

tive conceits, puns about dual observation of Scottish Opera and Opera North of Weber's Oberon in a new version by Anthony Burgess.

Palazzo Grassi, the elegant and expensive materialisation of Fiat's cultural sponsorship, wowed audiences last summer (an incredible 320,000) with its blockhuster exhibition, Fundament of Arcimboldo's courve and charts the development of arcimboldo's courve and charts the development of arcimboldo's courve and charts the conceits, puns about dual vision, sometimes very simplative materialisation inherent in sleight-of-hand inherent in Arcimboldo's double entendres and the very simplation sets out to illustrate various aspects of the Arcimboldo's double entendres and the very conceits, puns about dual vision, sometimes very simplatic games like the reversible Cook and the Vergetable and the curved papier mache Cook and the Vergetable conceits, puns about dual vision, sometimes very simplation sets out to illustrate various aspects of the Arcimboldo's double entendres and the curved papier mache Cook and the Vergetable conceits, puns about dual vision, sometimes very simplation sets out to illustrate various aspects of the Arcimboldo's double entendres and the curved papier mache Cook and the Vergetable conceits, puns about dual vision, sometimes very simplation sets out to illustrate various aspects of the Arcimboldo's double entendres and the curved papier mache Cook and the Vergetable conceits, puns about dual vision, sometimes very simplation sets out to illustrate various aspects of the Arcimboldo's double entendres and the curved papier mache Cook and the Vergetable conceits, puns about dual vision, sometimes very simplation sets out to illustrate various aspects of the Arcimboldo's double entendres and the curved papier mache Cook and the Vergetable conceits, puns about dual vision, sometimes very simplation steps of the Arcimboldo's double entendres and the curved papier mache Cook and the Vergetable and the curved papier mache conceits, puns about dual vision, sometimes ver

Kunsikammer, a museum of tury, selectively skipping wonders illustrating an encyclodecades up the stairs.

broadcasters to try to appeal to different groups but so far it loks as though the movement is always in the direction of the popular. The sort of programme of which I happen to have per-sonal knowledge is that which looks at the subject of television itself. The change occurring here has been clear and is accelerating. In the early seventies there was virtually nothing catering for the Sun audience but on BBC2 there were a number of late-night series such as Real Time and In Vision which, caseing, of to they, as I begin it there was to be hore utons subject matter can become much change? The danger of broad- also be more gold. If the percasting continually skipping to-centage of high quality rewards the trivial has been mained constant, then FT arts programmes be pitched within pointed out in this column be-page readers would be better off each of those 12 or 20 channels?

constructs, seemed rather to

bring into question the basic premise of the exhibition. The Bride shows up the difference between paint as the trans-

formative medium and the sleight-of-hand inherent in Arcimboldo's double entendres

Illtimately an exhibition m

illuminate its own central thesis,

but one which requires to be deciphered with reference to

theoretical chic doesn't do much

for the innocent spectator who

has come to look and be enlightened. On the ground floor of the exhibition, Arcimboldo

tablecloths, plates and casters

are being expensively merchan-

all up with a commissioned

homage to Arcimboldo: a news-

They disappeared and some years later Did You See? arrived: an admirable and more popular series, but one which is hardly able to go for length and depth of analysis. When BBC1 launched its new day-time schedule lest year one of time schedule last year one of the biggest undertakings was a daily programme about tele-vision, Open Air, which is aimed at a more popular level again, with considerable atten-tion paid to soap operas and other programmes of that sort.
There is nothing wrong with
that: for many millions of
people popular television is the main leisure time occupation. But where should we look for our 10 per cent? ITV has now launched The Television Show and it is pitched, quite unmistakably, at an even less demanding audience.

All the evidence suggests that this pattern will be followed in other programme categories. Even though Horizon could scarcely be considered over-demanding when compared to such printed science magazines as "Nature" "Scientific American" seems to be regarded as the unsurpassable high watermark of television science. Thus series such as Equinox, OED and Take Nobody's Word For it are clearly pitching down market from Horizon and, sadly, I suspect that any producer today who suggested a science series designed to go up market, beyond Horizon, would get some very funny

There seems little doubt that the new technology and the ex-pansion in hours will lead to a more popular style of news programme than we have seen programme than we have seen hitherto, and again one asks, quantity and quality the BBC why not? We have long had a would choose quality. That could become an historic diversified press allowing us to could becchoose the Mirror or the declaration.

Express or the Guardian, and the largest numbers have always chosen the Mirror. There is no law that says all television news must be pitched at a Mail/ Telegraph level as at present; a more "tabioid" style television news would clearly be possible and inevitably it would be popu-

lar.
My fear is that at the other end of the spectrum not only will there be no attempts to push serious high-quality journalism out beyond News night and Channel 4 News but the existence of even these series will come under threat. Though the BBC has managed to finance breakfast television and more daytime news. Newsnight's budget has been cut back and back.

The crux of all this seems to be the size of audience with which television people are used to dealing. Because Coro-nation Street can attract 18m and EastEnders 16m at one time, broadcasters start talking about audiences being "small' at a level of two or three million. Consequently an audience of 800,000 is regarded as nugatory, yet that figure is greater than the UK readership of the

There was, perhaps, just one encouraging straw in the wind last week. For many years the BBC has insisted on competing on every broadcasting front— local radio, breakfast television, satellite televison, daytime television—as though infinite ex-pansion was the aim. But speak-ing at the FT Conference on Cable and Satellite Broadcast-ing, Michael Checkland, the Corporation's acting Director-General, stated that if the choice had to be made between

The ENO dissected

a couple of years time.

That, in essence, is the conclusion of a scrutiny of the ENO by consultants Price Waterhouse. The ENO was the only one of the Big Four arts companies which had escaped an independent investigation of its operations. Covern Carden its operations. Covent Garden its new productions backed by and the RSC got their Priestley an enthusiastic band of corpo-Reports, courtesy of the Govern-ment, and Lord Rayner looked at the National. Now the ENO has been given the treatment.
And it is favourable. The opera house could save £333,000 by 1989-90 by increasing marginally its seat prices in the middle stalls, from £18.50 to perhaps £22, and, more signifi-cantly, by forcing through flexible working practices in its technical department: but, in the main, it offers good value

for money.

In favour of the ENO is the fact that it attracts over 40 per cent of the audience for professional opera in the UK, while the subsidy it receives works out at £19.70 per seat sold, as against at least £30 a seat for its competitors. It is also constantly improving its efficiency in the past three years the percentage of its costs covered by self-generated income has risen from 33 per cent to 42 per

The report gets down to specifics on the back stage operations of the ENO, pointing out that over-time accounts for half the pay costs in the technical department. A more sophisticated programming

English National Opera is a good thing. The company could save money in its technical department, and should raise its ing levels according to need; cutting down on demarcation whole it provides excellent whole it provides excellent within departments; more value for money, and its public flexible meal breaks; and other value for money, and its public flexible meal breaks; and other backers, notably the Government through the Arts Council and local Westminster Council, should give it more money to avoid a nasty financial crisis in a couple of years time.

That, in essence, is the conclusion of a scrutiny of the little scope for boosting income by increasing audiences, which by increasing audiences, which by increasing audiences, which are excellent, with box office re-ceipts up fim in two years, or in raising sponsorship, through which the ENO manages to get

> As in all aspects of the arts As in all aspects of the arts it comes down to the Government, along with Westminster City Council, providing an extra £2m.£2.5m over the next five years. The consultants believe that this money should be linked to extra efforts by the company in producing matching cash by savings and extra revenue. Price Waterhouse also recommends a vigorous educational programme by the ENO, more market research and regional touring, and local London boroughs subsidising tickets for a new opera audi-

rate supporters.

But, above all, it makes a plea for more subsidy the ENO can carry out continuous management improvements. Price Waterhouse is very much against this audit being a onceand-for-all event. Judging by the Government's response to the consultant's reports on our other leading arts companies, this will prove yet another ex-ample of an exercise which will be effective in propaganda terms but not productive of

Antony Thorncroft

Lindsay Quartet/Festival Hall

Max Loppert

The South Place Sunday Con-certs have reached their centhan can be got into Conway first movement was whisked Hall, the series home base, the into its terminating pignissimo organizers transported the occasion to South Bank for Sunsion to South Bank for Sunday's recital by the Lindsay. As
Peter Cropper, the quartet
leader, said at the start of the
second half, there can be few
second half, there can be few
people living in London and
interested in chamber music

Therefore Transcript Trans people living in London and interested in chamber music who will be without cause for gratitude to this unflashy, immensely admirable enterprise.
The Lindsay themselves were

in ideally celebratory form. The concert was one of those memorable chamber-music experiences when all the music periences when all the music characterising the melodies, seemed to flow, all the perforand his colleagues respond with mances made sense, and the less springy lyricism.

In the Schubert C major intimate communion with the composers and their executants. I had not heard this group for a while; in the interval the qualities of angularity and harddriving that tended to mar their performances (and to put pres-sure on Mr Cropper's intonation) appear to have been mastered. Nervous intensity, of the best kind, still informs the Lindsay musical approach; but almost all the way through Sunday's concert it was rooted in superlatively firm, pure-toned string ensemble—only in the presto final flourishes of the Beethoven and Dvorak works did a touch of the old demon

rear up once more.

Beethoven's Op.95, the F certs have reached their cen-tenary. Aware that more people sharply dramatic in attack but might like to mark the date always light in statement. The first movement was whisked in a way that suggested the dis-appearing fantasy of a dream; European groups may play the Dvorak Quartet in F, Op.96, with plumper sweetness, but few anywhere make it sound fresher and livelier — Mr Cropper has a peculiarly bright, picturesque manner of

> cellist. It was in this performance that the group's newfound maturity showed itself to most remarkable effect. Rarely does ment held in the balance, the long opening and closing sequences kept in absolutely steady tempo yet expressively urgent in each tiny note-flicker (the leader's changes from arco to pizzicato and back were timed and placed with the keenest dramatic percipience). On the evidence of such a concert, the Lindsay's standing as the lead-ing British string quartet is easy to re-affirm.

Endymion/Purcell Room

Andrew Clements

semble through February and March. Monday's at the Purmusical legacy from sensuous impressionism to out-and-out expressionism and has put together some attractive combina- an account that settled most ions of Ravel's contemporaries and notional heirs. Some of the where Krystina Osostowicz and connections seem wishful—to Jane Salmon found a genuine suggest, for instance, that rapport, but which otherwise Schoenberg was influenced by Ravel is to stand musical history on its head—but the

flavour of each concert is well Ligeti also looms large in the series; whether any link can be established between him and Aventures and Nouvelles Aven-tures made up the second half

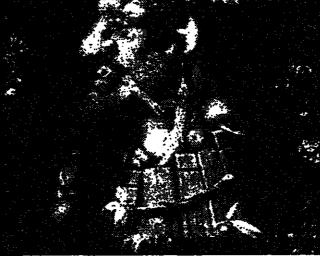
"A New Look at Ravel" is the rapidly annexing the territory rubric for five concerts being too. Mr Herford I have always given by the Endymion En associated with "straighter" a fine-tuned sense of comic timcell Room was the third. The ing, which suggested he should series sets out to explore Ravel's make forays into contemporary

happily into the slow movement seemed unduly effortful. I am not convinced, however, that it is possible to make this sonata anything but effortful; the pit-falls are perenially deep and treacherous. Two flute minia-tures—Messiaen's Merle Noir and Debussy's Syrinz, both Ravel is arguable, but certainly delivered with great poise by they share a fastidious ear for Helen Keen—maintained the colour and texture that indicates some convergence. Ligeti's Benjamin's Octet gave it an English twist. The Octet was conducted with care and well of last night's programme—not judged pacing by Daniel Asia, the staging originally an and the sheer technical aplomb nounced, but a well prepared of the work continues to amaze, concert version with Sarah Benjamin wrote it when he was Leonard, Linda Hirst and Henry 18; the beautifully dappled Herford as vocal soloists. Miss structure and wonderfully Hirst is an old hand at this imagined effects seem to Hirst is an old hand at this imagined effects seem to repertory; Miss Leonard is evidence a far deeper maturity.

Saleroom/Antony Thorncroft

Last year American buyers were bidding up prices of 17th-century London Delft pottery to exorbitant levels. Yesterday to exorbitant levels. Yesterday they were missing from Sotheby's sale of British ceramics, with predictable results. The four main lots, chargers produced around 1685 and depicting King Charles II, his Queen, his brother James II, and his barard son James and his bastard son James. Duke of Monmouth, were all which was paid for two unsold, with a top bid of £7,000 Wemyss-pigs of the early 20th for one of them, about half that century: they carried a top the saleroom was anticipating, estimate of £400.

In contrast the other end of the market which had been booming, ornate, decorators' art of the late 19th and early 20th century, maintained its appeal,
One early Delft item sold
well, a rare dated basket of
1698, with a unique shape: it
made £11,220, over double its estimate to the dealer, M. Allen.
The sensation of the day was
the £7,700, surely a record,
which was paid for two
Wemyss-pigs of the early 20th



"Autumn," 1573, by Guiseppe Arcimboldo

ayatollahs, sun-glassed sub- matching corny verbal gag achine-gunners and secret with visual extravagance. installations.

In the rococco elegance of the Fenice, Anthony Burgess's painfully inconsequential version of Oberon fizzled like a damp squib among a deeply puzzled audience. Commissioned in 1984 by Scottish Opera to produce a new libretto for "modern tastes," Burgess has chosen to reset Planche's orientalising fairy score of 1826 in a modern Islamic state, replete with nnections unclear. Certain American hostages, amplified

Janice Cairns as Rezia just The setting of the opera by managed to keep the evening Russell Craig is rather witty, together against a demoralised transforming the stage into a performance by Dennis Bailey, 1930s mock-moorish "Alham- as rescue pilot Hugh Maclaren. 1930s mock-moorish "Alham as rescue pilot Hugh Maclaren. bra" cinema which allows for After a somnolent overture, the magical transformations which threatened to rock the necessary in the libretto to opera into premature oblivion, necessary in the notetto to open and schieved some canbon Vick's production be- lyrical moments with the Graham Vick's production belyrical moments with the
came more and more freneticfenice orchestra, fighting hard
ally inventive as the very
lengthy evening proceeded, of British rubbish.

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wa Arts Guide day. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Theatre

LONDON

Les Liaisons Dangereuses (Ambassa-dors): Christopher Hampton's mas-terly version of Laclos epistolary novel is sexy, witty and wise, like a collaboration between Marivaux and de Sade. Howard Davies's sell-out pre-Revolutionary production for the RSC has moved from the Pit with Alan Rickman and Lindsay Duncan still battling and bitching lovers and other riffraff. (836 6111, CC 836 1171).

Misalliance (Barbican): Rarely seen Shaw, and a much underrated play, given the full RSC works by John Caird, a Polish new woman crashing into the surrey conservatory in her monoplane. Jane Lapotaire sparkles alongside Brian Cox. Elizabeth Spriggs and newcomer Richard Spriggs and newcomer Rich: McCabe (628 8795, CC 638 8891).

The Phantom of the Opera (Her Majesty's): Spectacular but emotionally nutritional new musical by Andrew Lloyd Webber emphasizing the ro-Lloyd Webber emphasising the ro-mance in Leroux's 1911 novel. Hapmance in Leroux's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Hal Prince's alert, affectionate production contains a superb central performance by Michael Crawford. A new, meritorious and palpable hit. (839 2244, CC 379 6131/249 7200).

Woman in Mind (Vaudeville): Alan Ayckbourn's new comedy has a bril-liant performance by Julia McKen-zie as a dissatisfied housewife visited on her own garden lawn by an imaginary ideal family. Bleak but

out off by that, (836 9987/5845).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielber movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around Disindiscriminate rushing around. Dis-neyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Mer-rich's tap-dancing extravaganza has been rapturously received. been : (836 8108).

Madrid, Where Is The Party by Dutch group Pigeon Drop. A series of sketches and gags by three actors and three musicians. A sort of pan-

tomime, musical, cabaret show. Tea-tro Martin, Santa Brigida 3 (222 93 52), until end of March. **NEW YORK** I'm Not Respapert (Booth): The Tony's best play of 1988 wan on the strength of its word-of-mouth popu-larity for the two oldsters on Central Park benches who hicker upro-iously about life past, present a future, with a furiny plot to match.

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. Elliot's children's poetry set to trendy music is visually startling and choreographically felline, but classic

February 20-26 only in the sense of a rather staid and overblown idea of theatricality. (239 6262). 42nd Street (Majestic): An immodest

End Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9620).

A Chorus Line (Shubert): The longestrunning musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical

years but also updated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions. (239 6200).

La Cage sux Folles (Palace): With some tuneful Jerry Herman songs, Harvey Flerstein's adaptation of the Passes film managers hardly to con-French film manages, barely, to cap-ture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (7572626).

Pump Boys and Dinettes (Apollo Cen-ter): Facetious look at country music and down-home country life with a good best and some memorable songs, especially one played on kit-chen utensils has proved to be a du-mark (Nicora hit 1925 1930) rable Chicago hit. (935 6100).

WASHINGTON

Glengarry Glen Boss (Arena): David Mamet's cutthroat real-estate salesmen show off one aspect of the soft underbelly of American capitalism in its bastion of political support. Ends March 8. (488 3300).

The control of the co

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Unions within the law

is taken. It is a white paper in all but name and, although comments are invited to be sub-mitted to the Department of Employment by May 5, it is quite clear that the Government has already made up its mind except on the details.

that the general election is post-poned until 1938, the proposals would form one of the centre pieces of the next Queen's Speech. It is more probable, however, that they will be an important part of the Conserva-tive Party manifesto for an election later this year. Bring-ing them out in the form of a near-white paper now means the manifesto will not even have to promise consultations on the changes proposed. Such preliminaries will have already

taken place. The proposals are of a piece with what Mrs Thatcher's administration pledged when it first came to power in 1979: namely, to redress a balance of power in industrial relations that had tilted too far in favour of the unions. The approach has been step by step, involving a major legislative act every two years or so.

Formidable record

First, the unions were made liable to legal actions for in-junctions and damages, then their legal immunity was removed in cases involving secondary strikes. A further step was the introduction of secret ballots before industrial action. Membership of the unions' governing bodies was also made subject to direct election—again by secret ballot. Some action was taken to protect non-union employees against unfair dismissal.

Looking back, that seems a formidable record of reform. On the whole, however, the closed shop remained intact and indeed provision was made in the 1982 Employment Act to keep it, provided that a suffinumber of voted in favour.

It is a measure of how far the

IT IS a polite fiction that the document suggests that immu-IT IS a polite fiction that the document suggests that immunities the forward of the ment. Trade Unions and their all industrial action designed Members, published yesterday is a green paper—that is, one or to keep one in being. At the which calls for widespread consultations before any action is taken. It is a white paper in the 1982 act, it would make dismissal of an employee simple to the same of dismissal of an employee sim-ply for non-union membership automatically unfair.

There is one other far-reaching proposal: the creation of a new authority, probably called the Commissioner for Trade On the unlikely assumption that the general election is post-poned until 1938, the proposals would form one of the centre pieces of the next Queen's Commissioner would be able to Speech. It is more probable, take the case to the High Court and the underwitte the allegible. and to underwrite the plaintiff's legal costs

Industrial relations

Whatever the immediate reaction of the Labour Party, it should not be automatically it should not be automatically assumed that such measures are fundamentally anti-union. On the contrary, they represent part of a continuing process of bringing the unions within the legal system—just like any other institution—and of protecting individual rights. It is notable that the guidelines for the new commission are to be modelled on those of the Equal modelled on those of the Equal Opportunities Commission and the Commission for Racial Equality. There is nothing illiberal about that; there was a great deal that was illiberal about the closed shop, and the Government's proposals are wholly welcome.

If the reforms go through, the unions will be obliged to keep their members by other means than coercion and old loyalties. Their leadership will be democratically elected and democratically accountable. It, too. will be able to use the courts, as unions do in other countries and if it has a good case, it should win. The onus is being switched to having a good case in the first place.

The step-by-step approach to unions and industrial relations so far has been one of the Government's success stories. There is still plenty of scope for improvement in the way British collective bargaining is conducted, but the legal framework which will be in place if It is a measure of how far the Government has moved that it is proposing to repeal some of its own legislation. Yesterday's past.

FUTURE OF THE EEC

Delors' vision of southern comfort

By Tim Dickson in Brussels

reception from the European Parliament last Wednesday, Mr Jacques Delors' grand design for the future of the European Community—which involves a nearly 50 per cent increase in the size of the Community bud-get over the next five years— has since met with rather more scepticism.

scepticism.

It was perhaps unavoidable that the member states which actually control the EEC's purse strings would take a less flattering view than the Parliament, a body ever eager to pro-

ment, a body ever eager to promote the European ideal.

While there is a broad measure of agreement among Community states that a thorough reassessment of both policies and finances is necessary, the 12 foreign ministers representing those states were at pains last weekend to stress the need for more in the way of spending control and less in the way of new initiatives.

Mrs Margaret Thatcher, the surprisingly laid itself open to the charge that it is trying to conceal the real scale of its new demand—equivalent to some 2.1 per cent on the old VAT formula. If that is the impression, it is hardly fair. Commissioners such as Mr Henning Christophersen, the courteous and clear thinking Dane who looks after the budget in Brussels, are keen to point out that the proposed increase in spending over the spending control and less in the way of new initiatives. Mrs Margaret Thatcher, the British Prime Minister, has shrish Prime annister, has already made quite clear that she will not concede any request for extra Community funds until reforms of the Common Agricultural Policy (CAP) yield real and substantial savings and

sels executive exerts a much tighter control over existing resources. resources.

She will not be alone in drawing the parallel between Mr Delors' apparently extravagant "pitch" last week and the fact that most Western European Governments are still straining themselved in the statement of the st to keep the lid on public sector spending. West Germany, the Netherlands, Belgium, Den-mark and France are all in the

until (as she sees it) the Brus-

As events in Strasbourg last week demonstrated, there is much more at stake than just or in this case perhaps "Jacques bulging billions." The Commis-sion estimates that its new proposals imply a Community budget of Ecu52bn in 1992 — in

same camp.

the nature of the European Community itself—a free trading bloc, a much closer economic union or an even more ambitious political federa-tion?—as well as new tensions caused by the changing balance of power between the richer countries in Northern Europe and the poorer so-called Mediterranean countries to the south. The significance of Mr Delors' speech was that it con-tained a full if not always coherent statement of where the European Commission thinks the Community is (or ought to be) going.

the basis of member states con-tributions to the EEC budget took centre stage. The Com-mission is proposing to alter the present calculation on which national contributions are based -set at a notional 1.4 per cent of the value of a common basket of goods and services (the so-called VAT formula)—to a new combination formula including a measure of Gross National Product. By suggesting an upper limit of 1.4 per cent of GNP, the Commission has not surprisingly laid itself open to the charge that it is trying to conceal the real scale of its new

increase in spending over the next five years would be no

Without money, aspirations could be as much as Ecu 5bn. are worthless, which is why the complex schemes for changing Commissioners want to do more But Mr Delors and his fellow than simply "wipe the slate clean." His speech in Strasbourg was peppered with reference to the clumsily-named Single European Act—a text vested with almost biblical significance for those who share his ambi-tion to open up "a new frontier for Europe."

The legislation—essentially an amendment to the EEC's founding charter, the Treaty of Rome—has now been fully approved by all the member states except Ireland. When finally implemented, probably later the resistance of the resis later this year, it will commit the Community to new policies conceal the real scale of its new demand—equivalent to some 2.1 in such fields as research and per cent on the old VAT technology, the environment formula. If that is the impression is the impression is whether the conditions.

The question is whether the member states are prepared to make it work.

But the issue, is not just that of the new money but the ex-tent to which the Community should extend its competence and adopt new policies of its own. Here Mr Delors also has next five years would be no own. Here Mr Delors also has greater than the rate of expansion over the period 1980-86. But there is no desire to hide the realities behind the Community's currently dire and social funds during budgetary position — if anything quite the opposite.

Commission officials are only —"to bring the weight of Euro-

There is much more at stake than just another set-piece battle over 'Maggie's millions'

another set-piece battle over munity accounting is not "Maggle's missing millions" — infrequently a dishonest sham. One reason is that so called traditional own resources the one-third share of EEC funds which come from customs duties and agricultural import

More seriously there is what some people in Brussels call the pile under the carpet "-the

bill for items such as non-depreciated agricultural stocks depreciated agricultural stocks and substantial commitments of course, West Germany). This is to be achieved through a so called "fourth resource" As the illustration demon-As the illustration demonstrates true spending in 1987 is states obtained by making a projected to swallow up calculation that takes into resources equivalent to 1.65 per account for the first time pricent of the notional VAT vate investment public expensions. projected to swallow up resources equivalent to 1.65 per cent of the notional VAT basket—way above the 1.4 per cent celling set by member

In real money, the overspend new

too happy to explain that the pean solidarity to bear in EEC is already in a hopeless encouraging greater competi-financial mess and that Com-

between member states."

The aim is summed up in Brussels by the word "cohesion"—enabling the less developed regions (that is Portugal, Ireland, Greece, parts of Spain, the south of Italy and Northern be "broadly neutral." But as Ireland) to catch up with the more prosperous and competitive parts of the Community.

Thatcher is not going to accept anything—certainly not be applied to the community.

sources but to spread the burden of providing it more squarely on the relatively richer countries in the club (Benelux and Denmark, alias -a contribution from member

constant 1987 prices—compared leveles — have been gradually to this year's spending of falling in recent years as a result of the fall in the US been the most tangible issue to of international trade, and of emerge from the Strasbourg Europe's growing self-suffinist but underlying the debate ciency in previously imported is a wide range of ideas as to food.

South of thay and twither the most international import in more prosperous and competitive parts of the Community. This is why the Commission's new formula for calculating away one penny of the money member states' contribution has she got back at Fontainebleau."

But as the trade of the EEC observer pointed out: more prosperous and competitive parts of the Community. This is why the Commission's new formula for calculating away one penny of the money of the fall in previously imported in the US.

sary cash to pay for Mr Delors' new frontier. British eriticism

offered the benefits of a freer internal market a quid pro quo for greater generosity. Reaction in France and West Germany are fully digested—will ulti-mately be critical to the out-come of the Delors plan.

The gamble is that the new thrust of EEC policy will form-ally shift the centre of Enro-pean power further to the south and undermine the original Paris-Bonn axis. Put very simplistically, that involved West Germany being prepared to pay the lion's share of the original common market in return for access to other countries (notably France) for its industrial goods. France meanwhile tended to do best out of the

The new orientation towards "cohesion" inevitably adds to the pressure on agricultural spending, and will be viewed suspiciously in Paris and to a lesser extent in Bonn,

Atention, however, will also focus on Britain, which given its historical and political perspective on the EEC as primarily a free trade zone, can be expected to take an equally tough look at the sums. There is for a start the thorny question of the British rebate negotiated by Mrs Thatcher at the Fontaine-bleau summit in 1984. The new GNP-based system of contri-butions is designed to help ease butions is designed to help ease the underlying British "prob-lem"—caused by the atypically small amount received from the CAP plus the UK's high level of consumption relative to overall wealth. This results in a ten-dency by Britain to contribute more than a fair share to Community resources under the so-called VAT formula.

The Commission's plan, would reimburse roughly two-thirds of Britain's net contribution to the Community budget. As at present, half London's net payments to the EEC's farm policy would be handed back

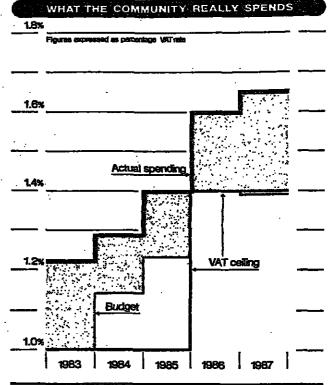
Brussels officials insist that the effect of the change should be "broadly neutral." But as one EEC observer pointed out: "Mrs Thatcher is not going to

cerned by the EEC's apparent inability to control farm spend-ing — still as high if not higher than ever for all the talk of CAP reform. Mrs Thatcher's blunt argument is that savings in this area, plus better overall husbandry of Community resources would free the neces-

certain to focus on the somewhat vague new commitmentditure, and balance of trade.

The basic concept of the EEC of the future is that the new "paymasters" are being the content of the basic convergence of the cut the cost of farm policies (used for converging common back to perhaps 50 per cent of EEC prices into national prices)





The budget is tallored to keep within the VAT celling laid down by ministerial agreements. The 0.14 and 0.25 over celling, in 1984 and 1985, were covered by

thirds now.

No one seems sure exactly what the Commission has in mind but the controversial proposal last week for a new EEC Both Mr Andriessen and Mr Delors expressing his anger. oils and fats tax (described by Delors (if for rather different the Commission as a "stabiliser reasons) share Mrs Thatcher's mechanism") is not in Down- aim to curb farm spending, but ing Street eyes a particularly the argument advanced in favourable precedent. Although Brussels is that it takes time it could raise more than

Ecu 2bn to pay for reforms in
that regime, the "mechanism"
would effectively be a straight
levy on consumers and would
almost certainly exacerbate
existing trade tensions with the

Britain's criticism of the pace subject of undisguised irritation in Brussels where Mr Frans Andriessen, the EEC's Farm Commissioner, feels he has been given insufficient credit the achievements of the past few months

farm price package for the year beginning this April — are con-sidered by the Commission to be especially tough. Squeals of outrage from Bonn in particuthe "green currency" system (used for converting common

the overall budget, from two- which would mean further re-

claimed in Strasbourg last week that Ecu 6bn of savings have been made since 1984 "thanks Britain's criticism of the pace to the courageous efforts made of CAP reform, however, is the by farmers." That achievement, however, had been cancelled out lar which, by widening the gap between world prices and fixed Community prices, has increased the cost of export subsidies and the burden of the CAP.

The latest set of proposals

— announced last week in the to fall, the farm lobbies which have such a crucial marginal effect on voting in national elections throughout the Comlar reflect the farm lobby's the case, Mr Delors' vision of horror at proposed cuts in a more united and calculated and calcul a more united and cohesive Community with an identity that goes well beyond the CAP is in danger of remaining a distarst dream.

Midlife crisis in Ottawa

MR BRIAN MULRONEY'S Prothe philosophy is in line with gressive Conservatives took the Reagan reform in the US, power in Ottawa in September but the precise nature of Mr 1984 amid expectations that Wilson's proposals is awaited. great changes would be wrought in Canada. Now, halfway halfway towards the latest possible date for the next general election it all looks a good deal less thrill-ing. The Progressive Conservatives are doing badly in public opinion polls; their government has suffered a number of scan-dals, largely trivial but none the less annoying; and only limited progress has been made with tackling some major issues in Canadian public life.

The budget tabled last week is a case in point. Originally it was intended to coincide with proposals for sweeping tax reform. But they have been postponed. The Mulroney Government's potentially most important initiative, for a free trade agreement with the US, seems to be in the control of t seems to be in the doldrums. On the positive side, the economy has done well after the recession of the early 1980s, though the reasons are cyclical rather than the result of good management in Ottawa.

Political courage

The budget itself was, on the whole, unexceptional if rather routine. By increasing some consumption taxes, Mr Michael Wilson, Finance Minister, displayed a political courage often lacking in the Mulroney era. Mr Wilson's forecast that the budget deficit would fall from C\$38.3bn (about £19bn at the present exchange rate) in present exchange rate) in 1985-86 to C\$23,9bn in 1987-88 demonstrates the progress made with one of the country's more intractable problems.

But by putting back to some time in the spring his announcement of plans for tax reform. Mr Wilson deprived the occasion of much of its interest. Tax reform is intended to shift part of the tax burden from incomes to consumption by bringing in something akin to European value added taxes. The reduc-

A similar pattern of lower pull it off. In this matter, as in rates but fewer loopholes is some others, the era of change expected to be proposed for promised in 1984 has yet to corporate taxes. On the whole

Mr Wilson appears to hope that tax reform can be passed into law by this time next year. The current Tory majority in the Canadian House of Commons is probably large enough to make that possible. Yet it does seem rather odd to leave so fundamental an overhaul of the taxation system until the end of a legislative period. It may be that Mr Mulroney and Mr Wilson expect their reform to be sufficiently popular to give their party a boost in the next general election, but that sort of speculation can go wrong very easily.

Tight timetable

In the case of the free trade talks with the US, the delay: have been in Washington rather than in Ottawa. Time is running short. President Ronald Reagan has until next January to get an arrangement negotiated and approved by Congress. That means that the negotiations must be concluded by the summer-and preferably early summer—in order to secure Congressional approval in time.

Unless there has been more rogress in the working groups than has become known, the timetable is tight. Congressional opinion is at best lukewarm about free trade with Canada. Even while negotiations have been going on, both countries have played tit-for-tat in various trade disputes. But Ottawa has itself to blame for some of the difficulties. Its determination to shield from the effects of free trade sectors crucial to the Canadian identity, such as pub-lishing, may be understandable. But it is hard to grasp the logic (though not the expediency) of wishing to fit into a free trade arrangement the existing safeguards for the Canadian motor

industry. tion of marginal personal and a majority of tanadamincome tax rates thereby made industrialists, a free trade deal income tax rates thereby made with the US would constitute Mr possible is supposed to Mulroney's greatest claim enhanced by closing the Mulroney's greatest claim notoriously large number of fame, given traditional Canadian notoriously large number of fame, given traditional number of fame there is no certainty that he can

Japanese call for adventure

The year is 5980. You live on the green planet but evil beings are threatening the life force. What do you do?

If you live in Tokyo, you call 371-9000 and embark on a telephone adventure, the latest phone-in gimmick from the newly-privatised Nippon Telegraph and Telephone. Launched last summer, telephone adventure has logged more than 1.5m calls, making it one of the most successful, long-running telephone services in Japan.

Dreamed up by an NTT branch office in Tokyo, the game gives the caller a space adventure story which can only unfold with the correct selection of the next number to call. It can take seven to 10 calls to win the game and prizes such as T-shirts or telephone headsets. The losers, of course, make more telephone calls, ensuring that NIT is the real winner every time. The company estimates to makes Y30 (159) to Y50 on each call.

Parents are already protesting that the game is turning



Men and Matters

But NTT points out that the Japanese were addicted to phone-in services long before sort to life started on the green planet. Last year's Panda service, for example, which treated callers to the cries of Tokyo's new-born

panda, received 200,000 calls a day for 20 days. NTI estimates it has more than 20,000 telephone services than 20,000 telephone services in operation throughout the country, ranging from stock price information to Buddhist sermons. A recently listed number to get information on AIDS has had a record 380,000 calls daily over the past week or so. NTT expects the AIDS calls to taper off-shortly but it is hontaper off shortly, but it is hop-ing for much more growth in

Paper chase

The Singapore minister for communications and information, Dr Yeo Ning Hong, yes-terday said the Singapore Government is prepared to consider a proposal from the Asian Wall Street Journal to distribute the paper free of charge.

But Hong's sting was in the tail of his proposal. He would also require the paper to be distributed with all its advertising blanked out. As this Far Eastern edition

of the Journal, printed in Singapore, derives by far the greater part of its revenue from of the equipment over, he says advertising, the minister's proposal is not one to attract the needed to return to design. paper's publishers.

5,000 to 400 last week by a investment of £650,000—mainly singapore Government order to buy a couple of paintboxes after the Journal refused to plus ancillary equipment. City 5,000 to 400 last week by a publish a letter from a govern-ment official criticising an article on the city's new article on the city's new secondary stock market. The Government's opinion of that

children into telephone junkies. | market is higher than the Jour-

The Journal has had to resort to putting its case against the Government by buying ad-vertising space in the rival Straits Times.

Screen painting

Never tell Martin Holbrook that art and science do not mix. Holbrook, a designer by training, used to draw conventionally with pencils and paper until he was hired five years ago by Quantel, an innovative electronics company based in

Newbury. Holbrook's job, as the company's art director, was to help Quantel's engineers to perfect a series of electronic "paintboxes" with which artists can produce pictures on screen, using computer controls.

Several hundred of Quantel's £120,000 video painthoxes are used around the world, mainly in TV studios. And the company recently launched a new, higher resolution graphic paintoox, costing twice as much, which can produce high quality prints for work in advertising and

Holbrook, who says he "fell in love" with the machines, has just left Quantel to start his own company, specialising in applications of the graphic paintbox. With the development Family connections helped.

The Singapore circulation of Harmer Holbrook, as the new the Journal was slashed from company is called has received

Holbrook's company, to be based in London, will start with a staff of five, and aims to offer its creative services mainly to customers in the advertising and printing industries.

Its first customer is Sir Sidney Nolan, doyen of Aus-tralian artists, who for one of his latest commissions will dis-pense with easel and brushes and try his hand with Hol-brook's high-tech hardware.

After life

What happens to Yuppies (young upwardly mobile professionals) when they reach twoscore years and ten? The answer is that they enter a new life as Zuppies. In cas

you haven't guessed, that stands for Zestful, Upscale People in their Prime. The US newsletter World Food and Drink Report claims this is the fastest growing population segment in the US. And it is gaining the respect-ful attention of advertisers and marketers because of its economic clout — which includes control of four-fifths of the financial assets of all US households.

Zuppies reportedly "find nourishment at fine restaurants on a healthy diet, consisting of meats, seafood, vegetables, and dairy products, complemented by vitamins and regular exer-And to think we used to refer to the "middle-aged,"

and worse -

Heaven or hell

What is the difference between heaven and hell in Europe? Heaven: the police are Eng-lish, the chefs are French, the engineers are German. lovers are Italian, and Europe is run by the Swiss. Hell: The police are German the chefs are English, the engineers are French, the lovers

are Swiss, and Europe is run

by the Italians.

Observer



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THE GREENWICH BY-ELECTION

WITH speculation mounting over an early UK general election, Labour ought to be looking forward to a tub-thumping victory in Greenwich—a seat it has held since 1945—to firm up its challenge in the race for number 10. However, as things stand, any sort of Labour victory in tomorrow's by-election will be gratefully received.

Despite differing opinion poll findings in the south-east London constituency, it is clear that a traditional Labour seat is under threat from the Liberal-SDP Alliance at a time when the party should be reap-ing the benefits of government unpopularity and attracting support for its alternative policies.

policies.
Instead, Labour has been forced to fight a largely defensive campaign to protect its candidate from accusations of extremism, and the party from renewed allegations of infiltration from the hard left.

If the Alliance manages to steal the seat from Labour—some late opinion polls show steal the seat from Isboursome late opinion polls show
the Alliance trailing by only
four percentage points—it will
be the first time it has done
so since Mr Simon Hughes, a
Liberal candidate, took Southwark and Bermondsey from
Labour four years 250.

wark and Bermondsey from Labour four years ago.
Labour started the campaign leading the poll with 35 per cent of the vote and the signs are that it will improve its share to more than 40 per cent. But a last-minute switch of support away from a disintegrating Tory campaign could still snatch the seat from Labour.

Evidence suggests that the Tories may be squeezed into a poor third place by the sort of tactical voting which could prove decisive in marginal constituencies at the next general

stituencies at the next general election. Particularly worrying for Labour will be the latest poll indication that up to 40 per cent of Conservative supporters in Greenwich may be prepared to swing their votes behind the Alliance in order ot see off

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With the Labour Party's steady recovery in national sup-port since 1983 apparently stalled, the loss of Greenwich could not be seen as anything other than a major setback. Any sympathy not expended on Mrs Deirdre Wood, the Labour can-Defrare Wood, the Latour can-didate, reduced to tears last weekend by revelations about her family life, would then be best directed at Mr Nell Kin-nock, the party leader. It was the selection of Mrs Wood, an undisputed subscriber

to London's newly-emerging hard left — against the Labour leader's political instincts and wishes — which has given the fight for Greenwich a special political piquancy.



Rocked by a tactical wave

By Michael Cassell

Unlike Knowsley North last Authority staff committee, Mrs year, when the Labour leader Wood has comfounded attempts ship intervened to prevent the to expose personal extremism local constituency party from and has swathed herself in non-choosing a militant-backed can-committal moderation. didate for the by-election, Mrs Wood's selection was much more difficult to block. Party headquarters in Walworth Road, alerted to the danger of put-ting up a hard-left candidate, tried to impress upon the selec-tion committee the national significance of the contest and the need to choose a candidate who would bat down the middle. But no constituency party likes intervention from head-quarters and, in the event, they chose the person who had always looked to be the front

A former Greater London be among the less strident of councillor and now chairwoman of the Inner London Education have set their sights on West-

She appears happiest and most confident when discussing what she sees as live local issues like better housing, education and social services. But she is clearly uncomfort-

able when challenged about her support for black sections in the Labour Party, or her apparently ambivalent views about the value of NATO. She also admits involvement in the con-troversial GLC decision to invite troversial GLC decision to invite result as a predictable protest Sinn Fein to London for talks.

While her record in local But if it presages an increasing government aligns her with the use of the tactical vote at the

minster. Even so, doubts cast over her real political identity have made some traditional Labour voters wary of support-ing her.

It was at Greenwich Palace that Sir Walter Raleigh laid down his cloak to protect Elizabeth I from getting mud on her shoes. There have been few such niceties for Mrs Wood, the victim of a smear campaign principally by sections of the press rather than by the other candidates. So high are the stakes, however, that her weekend tears were accompanied not only by indignant protests, but by party calculations about the likely strength of any resulting sympathy vote.

The constituency, home of the Royal Naval College and embracing gentrified Georgian terraces and precast concrete council blocks, is rich in inner city problems as well as history. The setting for architectural set-pieces by Vanbrugh and Wren, Greenwich also has less stractive, contemporary landattractive, contemporary land-marks, like an above-average unemployment rate of 14 per cent, lengthy hospital waiting lists and large numbers of council houses in need of repair. The riverside constitu-ency has been without an MP since Christmas Eve, following the death of Mr Guy Barnett.

A popular, well-respected MP, Mr Barnett's majority was nevertheless shaved uncomfort-table close—down to 1,211—in Mrs Thatcher's landslide victory of 1983. All three principal parties attracted more than a quarter of the votes cast.

The Alliance has extra incentive to make a good showing as part of its effort to recover the level of national support which so dramatically crumbled following last autumn's debacle on defence policy.

Mrs Rosie Barnes, a former Labour voter who was asked to stand for the Alliance two months ago when the previous SDP candidate withdrew, is a market researcher and lives locally. She has fought a competent if uninspired campaign. If she manages to engineer an Alliance victory, taking its share of the vote to perhaps 30 per cent, this could spell bad news for Prime Minister Mrs Thatcher Thatcher.

The Conservatives, who handed their banner to Mr John Antcliffe, a 25-year old merchant banker and Greenwich council-lor, will attempt to shrug off the next general election, Green-wich could prove one of the most politically significant by-elections of recent years.

STUDENT FINANCE

Lessening the tyranny of three-year courses

By Christopher Ball

STUDENT GRANTS or student for increased student grants is not. The present grant is inadequate to meet the cost of maintenance; there are few students who do not need to supplement their grant from social security benefits, be disastrous. At present, only supplement their grant from social security benefits, earnings, or horrowing. Students whose local authority grants are reduced by the means-test applied to their parents' income are often in a worse plight: as many as 43 per cent of such parents fail to make their full contribution, although it is their plain duty to do so. Most students manage on a mix of grant and loan and many find they must earn extra money in vacation to make ends meet.

This is not necessarily a bad thing. It is probably good for students to face some of the economic realities of life; it is certainly desirable to encourage them to relate their academic studies to the world of work. What is unsatisfactory is the pretence that the full grant will be adequate. Students know this is not so. In consequence, we have an informal, unplanned and unfair system of mixed grants and loans. We need to formalise it, plan it, and ensure that it operates fairly. That is the challenge facing the review now being conducted at the Department of Education and Science,

The National Union of Students argues that the grant should be restored to a fully adequate level. Their calculaadequate level. Their calculations show a 21 per cent decline since 1978-79: the Education and Science Department recognises a 13 per cent drop. In either case, the cost of restoring the full value of the grant would be considerable. Some £600m of public funds, or about a sixth of all higher education expenditure is now education expenditure, is now committed to the mandatory maintenance grant. The NUS also wants the parental means-test to be abolished. To do this, as well as increasing grants by 15 per cent for example, would cost about £380m a year.

This is not likely to happen. In the flerce competition for a greater share — or, at least, not a reduced share — of

I fear that the campaign to increase the value of grants might succeed only at the expense of reducing access to higher education. This would be disastrous. At present, only some 14 per cent of those aged 18 on to higher education.

18 go on to higher education.
Our major competitors, often
with less generous systems of
student awards, do better. One of the main impediments to increasing access is the Treasury's understandable concern at the high unit-costs

of higher education, arising from the quality of teaching nificantly to increase numbers and student support provided. Unit-costs are especially high in the universities, because of the research premium; but that a two-year qualification or

should have the right to two years' full grant, payable at the home rate—unless a case can be substantiated for living away from home, such as subject specialism, remoteness of home, in which case two years' grant would be paid at the away rate. This would extend free "state" education to age 20, for standard, 18-year-old entrants, and to mature entrants, at any age, for two years. This should help significantly to increase numbers in higher education.

The aim is to re-allocate resources to open up higher education to a wider group

even in the polytechnics and Diploma of Higher Education colleges, where over 50 per would not be marketable, one cent of English higher educamay answer that the scheme tion is carried out, the unit would force institutions to retion is carried out, the unit cost to public funds is markedly higher than in France or West

Germany.
A significant component of cost is the present student award system. What is needed is a reform of the system which will maximise access to higher education while not making unrealistic demands on public

The proposal I would like to see considered derives from the Leverhulme Report of 1982. It has as its central objective maximising access to higher education. It would also assist in the achievement of national planning objectives through the selective use of "longer" awards and stimulate a review of course length and structure, lessening the tyranny of the three-year full-time under-graduate course, which dom-inates higher education in this

view the content of courses to ensure marketability. The objection to two-year courses is also weak because it is based on the notion that the initial qualification is also the final one. This should not be so:

much more emphasis should be

given to on-the-job, continuing The normal provision of the home rate of grant would not require students actually to live at home or to attend their local higher education institution. If

from home. The second part of the pro-posal is that students wishing achieving a closer match between the supply of qualified manpower and demand from

In the less specifically vocational areas, where employers tional areas, where employers might not run a sponsorship or bursary scheme, there would be two alternatives for further study: to fund a further full-time year of study privately, perhaps through a loans scheme; or to pursue further study on a part-time basis.

The scheme proposed includes The scheme proposed includes the provision that the fees element, but not the maintenance grant, of the third year of full-time study (or of two further years of part-time study) — whether undertaken immediately or deferred — would be available by right to students who completed the initial two-year programme successfully. year programme successfully. In the less specifically voca-tional fields, this could lead to a transformation of course

structure and operation, with two-year full-time courses "top-ped up" to degree level through a variety of methods.

Private funding could be obtained on a commercial basis (banks might be more willing

to make loans for the third and final year of a degree course to students who had already demonstrated capability and commitment) or through state-operated schemes, perhaps man-aged through the higher educa-tion institutions. In either case. tion institutions. In either case, the proposal would permit the abolition of the parental contribution. While the proposed solution is set within the current context of constrained resources, it is

they took the view that it was desirable to study away from bome, they would be free to enhance the basic grant by vacation earnings or by borrowing. What is at issue is whether it is an appropriate use of public funds to pay for nearly all full-time students to live away from home.

not intended to reduce spending on student awards. The aim is to re-allocate existing resources says to open up higher education to a much wider group—our only hope of creating the modern educated society we seek and providing the skilled brainpower that industry, the professions and the services not intended to reduce spending

Employment figures

From Professor P. Layard

Sir,-In the recent employment debate Lord Young said of (February 11), "Professo Layard has got his sums wrong very badly wrong indeed. He is wrong to treat the self-employed as non-persons, wrong to say that employment growth has ceased." We did not do any of these things. Instead we relied on the following facts. Until Angust last year the proportion of people (of working age) in the measured labour force was rising strongly and steadily. From August onwards this trend appears to have stopped in its tracks. The most plausible explanation of this is that people have been pushed

not into extra jobs. Between June 1985 and September 1986 the Depart-ment's figures show there was of people who had paid jobs as employees, even including those on the Community Programme, which grew by 100,000.

off unemployment benefits but

There is no information about the growth of self-employment since June 1985. We followed the Department of Employment in assuming that this had grown at the same trend rate as be-fore June 1985, and we did include the self-employed in our

estimate of employment.
As regards the numbers of employees since last September, Lord Young asked "What does the good Professor know that we don't?" The answer is that, just as he estimates self-employment since June 1985, so we estimated the number of employees since September 1986. To be precise, we assumed it equalled the change in em-ployees in manufacturing em-ployment plus 18,000 a month (this being the average differ-ence between the two numbers in the previous 18 months). All our figures are available in a the highest are available in technical note.
(Professor) Richard Layard.
London School of Economics,
Houghton Street, WC2

The law in

From the Press Counsellor, Embassy of the Republic of - I write to give some

Sir, — I write to give some explanation to a small news item (February 18.) which could easily be misunderstood. The law in Iraq concerning the abuse of official positions for the purpose of private gain is extremely clear. Convicted offenders face the death penalty, as indeed do those who make public harmful diclosures of government contracts. It is of government contracts. It is in this way that Iraq is able to safeguard its economy and well being despite being in the seventh year of a costly war.

Letters to the Editor

Abdelwahab Mufti were not un- Dictionary, "unload" means specified, as you reported. They "to sell especially in large specified, as you reported. They were quite specific.

Anonymous Western diplo-mats however, as here, are both fanciful and misleading in their assessment. There is no element of the army likely to mount a challenge to President Saddam Hussein. He is in full control of the country and en-joys the complete confidence of

his commanders.

There may be some misunderstanding about the role of a mayor. Unlike Britain, where mayors tend to stem from the political system. Baghdad is run on a totally different line. The mayor is more of a paid civil servant who is responsible for the efficient functioning of the city's infrastructure. Mufti the city's intrastructure, much was not a politician and not involved in any alleged plotting. He did commit a gross breach of a very well defined law and for that he paid the penalty.

Wajeeh K. Kaissi, 177 Tottenham Court Road, W1

Drawing the line in Singapore

From the Acting High
Commissioner, Singapore
Sir.—I refer to the article
"Drawing the line in Singapore," by Steven Butler (February 11), reporting on the restriction imposed by the Singapore Government on the circulation of the Asian Wall Street Journal (AWSJ) in Singapore.

Singapore.
You quoted the Singapore Government statement that the AWSJ had implied that "SESDAQ was being foisted on the Singapore financial scene by the Government, in order to preside over the disposal of dud companies to its own citicertainly did not say this expressly, and it is by no means the only interpretation of what the article meant." and that "The Journal article contained no allegations of government corruption, illegal behaviour or

misconduct."
The actual words of the AWSI article speak for themselves: (a) "State finance officials have staked plenty of face on misconduct." the government-inspired ven-ture. In Singapore, this is often more important than the needs and desires of the marketplace." (b) "The Government will use the new exchange to unload state-con-trolled and government-backed (According to Webster's New International

quantities, to get rid of or to dump.") (c) "SESDAQ plan-ners concede that financial troubles among some of these [Economic Development Board] -aided concerns in the past few years was a primary reason for devising a new exchange . . The EDB was looking for way to push these companies along the road, says a merchant

Your correspondent said the AWSJ had claimed in a letter to the Singapore Government that the article had been misinterpreted. The oppposite is the case. The Editor and pub-lisher of the Journal had re-iterated the charges in his

Your correspondent reported talk of the need for "surrepti tious means to obtain copies of the newspaper." There is no need to be surreptitious. Copies libraries and openly sold in Singapore. Anyone who is unable to buy a copy can perfectly legally photocopy articles in the AWSJ for his private use.

The Singapore Government does not seek to dictate what

their letters columns. But it does insist on its right of reply when it has been unfairly and maliciously attacked. For a newspaper to deny this right is to deny the very freedom of speech which it is claiming to uphold. This is what the AWSJ has done (Mrs) Mary Seet-Cheng. 2, Wilton Crescent SW1.

A local lad from Ghent

From Mr J. Thissen Sir,-In the Weekend FT of February 7 there appeared an article under the heading "Debut of ECU coins." I agree "Debut of ECU coins." I agree with the contents of the article save one passage in the last paragraph where Mr Tim Dickson tells us that Charles V was "... a local lad from Bruges..."

As an inhabitant of the city of Ghent I strongly protest against this affirmation as the said Emperor Charles V was born in Ghent in 1500 in the so-called "Prinsenhof" of which there are still some bricks left. The mother was Jeanne of Castilla, later called "Is Folle." daughter of Isabella of Castilla

York, an English lass, and the Duke of Burgundy Charles the Bold. The Emperor Charles V had from time to time some business with an English lad, called Henry VIII, if I remember well, and an English Cardinal named Wolsey. Kredietbank, Arenbergstraat 7,

Coffee prices

rom Mr R. Crum
Sir,—Coffee prices in the
sarkets peaked around January last year and have been falling ever since. Instant coffee prices in the shops peaked at the same time and have stayed the same ever Since.

making an awful lot of money. making an awful lot of money.
It looks like a classic case of lack of competition, either by the producers or by the retailers. I would guess that it is high time for an Office of Fair Trading investigation.
R. E. Crum.
89 Holl Road, Norwich.

National pay

bargaining From the Chairn British Clothing Industry

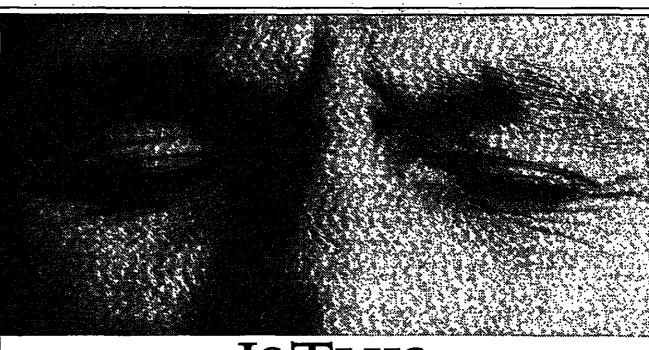
Association Sir,—The chemical industry is not alone in making the case for national pay bargaining. For the past 75 years the clothing manufacturing industry has been covered by a national wage bargain which includes all the main terms and conditions of employment, namely rates, hours holiders atc. hours, holidays, etc.

In an industry which today employs over 200,000 people in locations large and small throughout the length and pay bargaining has been, is, and will be an essential prerequisite for the continuation of industrial stability in such a diverse and widespread industry.

Small- and medium-sized firms which abound in our industry just do not have the facilities or expertise to become involved in the complicated process of local negotiations especially when they can see over the period of time that national wage bargaining has existed that the settlements reached have been responsible and moderate against all the national economic indicators prevailing at the

Throughout this time there has not been one national strike and incidence of industrial disputes are a considerable excep-tion to the rule. Some may call this cosy others would say it is stable and effective.

We must all be prepared to consider change and look at alternative ways of doing things Castilla, later called "la Folle." daughter of Isabella of Castilla and sister of a certain Catherine of Aragon, mother of a certain Bloody Mary. The father was Philippe, called le Reau, son of the Emperor Maximilian and of Duchess Mary of Burgundy who was a child of Margaretha of Swallow Place, London WI. and the clothing industry is in the process of doing just this at present. Old habits die hard, however, especially when they



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more.) Of course, one exposure to an ad is worthwhile. It produces a response.

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Also, we should point out that applying MPX usually works in our favour. However, it always works in yours.

For further information contact Head of Advertisement Department, BBC Enterprises Limited, 35 Marylebone High Street, London WIM 4AA. Tel: 01-927 5238. es: MPX Consortium Study 1986, "Derived from various Politz studies, see "Magazine Newsletter of Research - No. 37," Magazine Publisher's Association, May 1982.

FINANCIAL TIMES

Wednesday February 25 1987



INWARD INVESTMENT BY JAPANESE WILL SHARPEN COMPETITION

New industrial threat from Japan

BY GUY DE JONQUIERES IN LONDON

GOVERNMENTS and industries in Western Europe are likely to face considerable strains adjusting to the impact of increased inward investment by Japanese manufacturing companies, according to a study sponsored by Britain's Royal Insti-tute of International Affairs (Riia).

The study says further greenfield investments by the Japanese will add to excess capacity and sharpen competition in several European industries while Japanese attempts to acquire existing European companies may stir up political controver-

sy in the countries concerned.

The next wave of Japanese inward investment is likely to have an important catalytic effect on European and American companies in Western Europe, in that they will probably step up defensive crossfrontier mergers in order to rationalise existing capacity before it can fall into Japanese hands," it says.

There is thus a possibility that Europe's industrial structure will be polarised for a while between Japanese-owned or linked companies and the rest," the study says. It notes that some US multinational companies are already preparing for stiffer Japanese competition in

Western Europe will have to strike a delicate balance between policies aimed at promoting the emergence of "European champions" and the encouragement of inward investment by competitors from Ja-

Industrial policies which place assemble imported components, too much emphasis on intra-Euro-But it argues that this reflects the may seek to involve Japanese com- shore subsidiaries. panies in their national policies in the hope of gaining a lead over their able to level the complaint against

The study, written by Mr Louis themselves as closely into host ics and information technology sec-Turner of Riia, is a joint project economies as the more established with contributions by researchers multinationals have in Europe and relatively little to offer the Japa-

Country No of cases Amount (Sm)				
Australle	1,209	3,621	4.3	
Brezil	1,296	4,587	5.5	
France	690	819	1.0	
Hong Kong	2,405	2,931	3.5	
indonesia	1,381	8,423	10.1	
Liberia	637	2,455	2.9	
Luxembourg	83	1,216	1.5	
Hetherlands	294	1,687	2.0	
Panama	2,374	6,440	7.7	
UK	1,048	3,141	3.8	
US	12,528	25,290	30.2	
W. Germany	758	1,343	1.6	

in Europe, Japan and the US. It was financed by the Anglo-German Foundation and the Tokyo-based National Institute of Research Adv-

It says a "perception gap" exists about the role of Japanese overseas investment. While many Japanese believe they have a missionary duty such claims are viewed with scepticism elsewhere.

The study says that longer-term pressures on Japanese industry to widen and deepen its overseas investments are unavoidable and that Europe must accept this situation, provided Japan continues to remove restrictions on inward investment from overseas.

The study acknowledges Western complaints that many Japanese operations using unskilled labour to pean collaboration could create a fact that Japanese industry is still ghetto mentality among future Jap- at an early stage in building up an anese investors, the study says. On international presence and has the other hand, some governments little experience managing off-

"It is, therefore, totally unreasonthem that they have not integrated

the US. All that one can ask of them for the moment is that they ac-

knowledge that screwdriver opera-

tions are only acceptable as a provi-

sional first step in the process of be-coming a fully fledged multination-

It argues that Japanese compa-

nies "deserve some understanding"

while they seek to lay down deeper

roots in host economies. However,

it also notes that few of them are

sensitive to demands that they in-

crease the amount of research done

an analysis of Japanese overseas

direct investment and international

collaborative ventures in the con-

sumer electronics, automotive, in-

formation technology and aero-

Japanese companies have often

entered such arrangements, chiefly

out of concern about trade protec-

tion, and they are, in many cases,

the stronger partners, but the study finds no evidence that they have be-

haved ruthlessly or sought to de-

stroy Western industry.
Western, and particularly Euro-

pean, dependence in collaborative

ventures with Japan has been

greatest in the consumer electron-

Much of the study is devoted to

al." the study says.

space industries.

For many European consumer electronics companies, intra-Euro-pean collaboration may become more attractive than alliances with Japan, it says. In computers, European companies have an advantage over the Japanese in software and systems design, but they have been mable to capitalise on it. The automotive industry has

nese in consumer electronics while

in information technology "the tech-nology and product flow is all one

way - from Japan to Europe," the

study says.

seen the widest range of collabora-tion agreements involving Japanese companies, many of which have benefited the Western partners. The study suggests that the pattern may change, as collaborating companies start to compete with each have to decide whether to jettison or acquire smaller Western part-

Aerospace is the one industry in which Japan has entered collaboration from a position of relative weakness. In spite of the Japanese Government's goal of building a stronger national industry, it presents no immediate threat to the superiority of Western industry.

The Japanese Government should concentrate on promoting the smooth expansion of overseas direct investments and collaboration while encouraging Japanes in host countries and opening up its own economy to more foreign inestment, the study says.

European governments should try to improve the competitiveness indigenous industries while encouraging Japanese inward investment as a means of keeping competitive pressure on local compa-

nies. Industrial Collaboration with Japan, by Louis Turner, Chatham House Paper No 34, published by Routledge and Kegan Paul, 11 New Fetter Lane, London EC4P4ER.

Syrian troops tighten grip on W. Beirut

SYRIAN troops tightened their iron grip on West Beirut yesterday although members of the pro-Iranian Hizbollah ("Party of God") protest-ed in the Basta District by setting fire to a small prison used by the

At sundown last night Syrian troops were expected to move into the area, which have been the stronghold of the group, to take the Fathallah" prison.

It is believed, however, that the militants responsible for most of the kidnappings of Western diplomats are prepared to free hostages vhose release is not vetoed by Iran. The word from Hizbollah quarters was that the extremists were

prepared to pull out, freeing hostages, as they withdrew to the south There was also no indication of showdown between Hizbollah and the Syrians. An informant close to the movement said that, despite

their opposition to the Syrian presence, there would be "no confronta tion with Syrians in Beirut". He was speaking after the visit to Damascus on Monday night of Mr Ali Akbar Velayti, Iran's Foreign Minister, and Mr Mohsen Rafiq

Dost, Revolutionary Guards Minister, for talks on the repercussions of the Syrian intervention. According to diplomats in the Syrian capital, Tehran was taken aback by the military thrust, which followed a week's fierce fighting by the militias of the Druze Progres-

sive Socialist Party and the main-stream Shiaa Amal movement. "This reflects the anger of the people that the Syrians can come now", said one bearded Hizbollahi, commenting on the protest destruc-tion of the prison, which had been the main headquarters of the movement's fighters.

Inside, turquoise-blue walls and colourful murals meant to picture the heavenliness of Islam and the wickedness of Israel and the US, were charred with smoke.

In the centre of West Beirut the Syrians took over major military fortifications and offices without resistance, even finding time to have their shoes cleaned and to film what is left of this Mediterranean city's scenic shores.

Forlorn-looking Syrian special forces could be seen at the windows of the 40-storey Murr Tower, an impressive unfinished highrise building that had served as the Shia Am-

At the Bain Militaire, where rows of Syrian army vehicles were parked across the road from the once fashionable Renaissance Tennis Club – now a military camp – a Syrian soldier stood on the back of a truck and scanned the deserted seaside cafes and Ferris wheel with a small movie camera.

Further up the road, crowds, gathered on the edge of a steep curve overlooking Rouche, or Pigeon Rocks, in the past a landmark for tourists. Three bullet-riddled bodies had been thrown into the sea over the hill, known locally as a suicide point for despairing lovers. Eye witnesses said Syrian soldiers had executed the three earlier. This brought to 15 the number of such killings since Monday.

Andrew Whitley in Jerusalem writes: Israel signalled yesterday that it did not regard the deployharmful to its interests, but it warned Syrian President Hafez Assad that it was watching the situation closely.

Israeli pilotless drones have been mounting a 24-hour aerial watch over the Lebanese capital, as the Syrian forces take up their positions. Any signs of a move south-wards towards the Sidon area area likely to set off alarm bells.

"We reserve our freedom of action if the direct military interests of Israel are harmed," said Mr Yitzhak Rabin, Defence Minister, after a closed meeting yesterday of the Ministerial Defence Committee.

A rare public statement by the Committee, which is made up of se-nior ministers and military and intelligence personnel, said that, while Israel had no intention of intervening in Lebanon's internal af-fairs, it condemned the "deepening of the Syrian occupation in Leba-

In addition, the statement said somewhat ambiguously, that Israel

change in the relationship between in the prolonged newspaper dispute unions and employers, and warmly at News International Group in endorsed the move towards better London. He said there was a need far the Syrian forces in Beirut had

THE LEX COLUMN

NatWest in its counting-house

Who wants to be a billionaire? certainly - and with some reason very pleased with itself for becom-ing the first UK financial company to make pre-tax profits of £1bn. But it was the least well kept secret in the City, so the shares gained just 1p to 618p.

In any case, company results are more significant further down the page. With the full benefits of the 1984 budget phased reductions in corporation taxes, NatWest has managed to push profits after tax up by 38 per cent to £821m.

But after that NatWest's oppor-tunism in the form of about £330m of new equity catches up with the company. Earnings per share are up by only 20 per cent. That is only the half of it, since the swollen capital base was not a factor at the in-

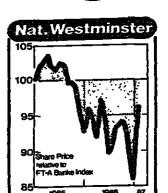
terim stage.
This year will see the full dilutive effects of the fund raising which combined with a slowing in the rate of expansion in the UK could make for minimal earnings per share growth. But look on the bright side. If it had not been for the interest on the rights issue cash, NatWest would not have been able to make £1bn in the first place.

Not that NatWest should be blamed if it fails to repeat last year's 37 per cent increase in domestic banking profits. And al-though domestic bad debt provisions are up, the ratio of provisions to loan book has not increased.

Following last week's announce ment by the building societies that payments in arrears by borrowers had declined, it is tempting to suggest that the fears of improvident lending in the UK domestic sector may have been overdone. As for Brazil, NatWest's exposure to Latin American debt is lower than the other clearers, so it could even he said to have gained a competitive advantage from the latest scare.

Yet growth in lending is not the only path to increased profits and dividends. NatWest has managed to find about 40,000 new current accounts, which has helped to reduce its dependence on the wholesale market from about 28 per cent to

The City's eyes were naturally drawn to the £27m loss at NatWest Investment Bank. The Big Bang losses were higher than anyone expected, and the operation will prob-



ably lose money again this year. But against the perspective of Nat West's very calculated risks in the er sector, the cost does not

Elders/Carling

Buying brewers from cigarette habit with Elders IXL that market ulation has already marked Elders has with Courage and Carling O'Keefe (assuming no regulatory hiccups) now built up a credible production base for its grand strategy of making Foster's a global brand. And the surprising success of the film Crocodile Dundee in convincing consumers that lager-swilling Australians are attractive role models is just the sort of marketing

boost the strategy needed. As with Courage, Elders is not being mean about the price it is paying - as the reaction in the Rothmans International share price, up 12p at 231p, suggests. A multiple of over 20 times for Carling would be ing market faces some tough chal- to surge ahead this year. lenges, not the least the possibility of free trade with the US. Perhaps

Meanwhile, Mr Elliott's declar ation that Elders has the muscle to buy BHP looks the reddest of herrings. It is naturally in Elders' interests to encourage thoughts of an auction for BHP, but it now has little need for another cash ma-chine, and the profit it is showing of around A\$550m might soon be tak-

Public investment

The Labour Party's claim to be a better capitalist than the capitalists has never appeared very credible. However, the latest reformulation of the investment gap-investment bank thesis, from the key Labour thinkers in this field, at least nudges the party further away from the bottomiess pit theory of investment practised by the National Enterprise Board.

The pamphlet from Lord Williams of Elvel and Mr Dennis Turner is full of respectable stuff about raising the rate of fixed capital forpanies has become enough of a mation, the need for higher profits and encouraging entrepreneurs. It even suggests that the public sector Philip Morris as the next vendor.
Whether or not that comes to pass, lifting the burden of long-term loans from the dear old clearers the quality of their earnings will im-

The irony is that just as Labour is cuddling up to the private sector, the case for a purely public bank for infrastructure projects could soon be convincingly made by Eurotannel. When it comes to private sector substitution the case remains decidedly shaky.

At a time when the corporate sector is actually a net lender to the banks and organisations like 3i are scouring the country for entrepreneurs to back, it is difficult to attrirapidly justified if profits were likeity to return to the 1964 peak. But as
Carling has frequently told its
shareholders, the Canadian brewin any case investment is expected

tion - that there is no need for a in the hands of a brewer rather new institution to channel the varthan a tobacco group, Carling would ious interest rate subsidies - is be more able to stand up to the fierce competition from south of the centralisation of expertise could be border, more so if Elders were to useful particularly as Labour apbecome a US brewer, too. And at pears to have learnt that civil serleast if free trade does come, so vants do not make very good finanshould deregulation within Canada, cial entrepreneurs. Whether Si's allowing greater production effi- would be a willing base for such a plan is another question.

profits pass £1bn By David Lascelles Banking Editor, in London

NatWest

NATIONAL Westminster Bank (NatWest) yesterday became the first UK bank to break through the billion pound profit barrier - just. Lord Boardman, the former Con-

servative minister who is now the bank's chairman, announced record results of £1.011bn (\$1.55bn) pre-tax for 1986. This makes NatWest the second largest bank profit earner in the world after Citicorp, the largest bank in the US, which last month reported pre-tax profits of \$1.7bn (£1.1bn).

True to its sober image, the UK's largest retail bank avoided any special celebrations as it passed the milestone. The only comment Lord Boardman permitted himself was to anticipate critics who might think NatWest was making too much

The profits, he said, "demonstrate our very considerable contribution to the UK economy, which is often overlooked by politicians." The bank will pay tax of £390m on its £1bn profit, he pointed out.

The 26 per cent profit increase was due largely to its retail banking business, which attracted nearly 1m new accounts last year, and built up loans to companies. Other parts of Nat West's business did less well because of high development costs or concern about international loan

The results reveal that NatWest lost £38m in launching NatWest Investment Bank (NWIB), the new securities and merchant banking subsidiary it created for the Big Bang deregulation in the City of London, The bulk of this went to pay for the technology, premises and people to get the business going in London as well as in New York and the Far East, and to cover its

NatWest's results set a positive tone for the bank reporting season.

World Weather

Bankers fear Brazil crisis will endanger Argentina debt talks

FOREIGN BANKERS in Argentina have admitted that the crisis in Brazil will create serious problems in the renegotiation of Argentina's foreign debt. "So long as Brazil tina. The influence of the Brazilian issue is going to be very strong," said the vice president of a major foreign bank in Buenos Aires.

Government officials, however deny that there will be any form of "joint action" between Brazil and Argentina, although they admit that there are "constant consulta-

tions taking place."

Argentina's debt negotiation with its creditor banks will reach a criticial phase this week when Mr Mar-io Brodersohn, the Finance Minister, arrives in New York following a stopover in Brazil.

According to information published in the local press Mr Brodersohn has been told by President Raul Alfonsin that, if the creditor

banks do not accede to Argentina's months in the hope of obtaining proposals, he is to return "immediately" to Buenos Aires, not with the intention of breaking off negotia-tions but to emphasise that Argentina will not make concessions on its growth target of 4 per cent for 1987

to "/is of a point over Libor the Lon-don interbank offered rate while en any indication that it might folthe banks are prepared to go no low Brazil's lead by suspe

differences between Argentina and the banks over "on-lending" or debt

On the domestic front the Govconversions.

The final approval of Argentina's new IMF standby loan last week, conditioning its dispersement on a "critical mass" of 90 per cent of Arg-entina's creditor banks agreeing on or on its demands for a substantial a new financing package, has re-reduction in "spreads" similar to that obtained by Mexico. Argentina is seeking a reduction not proposed before. However, lower than 1% per cent.

Foreign bank sources say that the issue of spreads will be a very difficult one, even more so than the

ernment is expected to announce Although official figures are un-available, Argentina's foreign ex-change reserves position is thought justments and a new price freeze to to be adequate to ride out protract- dampen fears over a new inflation-

ed negotiations over several ary surge. Soviet quality control hits output

Continued from Page 1

from shops of goods in everyday demand and large queues has not decreased. This is clearly shown now in winter by the lack

of vegetables on sale."

The availability of goods in Moscow is particularly important because, in addition to its population of 9m, some 2m people visit the capital every day to shop. The only shortfall hir Yeltsin noted with satisfaction is in the sale of Vodka, which fell by 23

per cent last year.

Mr Yeltsin's long and largely critical speech is indicative of the much more open style of Government under Mr Gorbachev, particularly in areas such as Mos-cow and Kazakhstan, where the previous leadership has been heavily attacked for creating po-litical machines based on patronage and corruption.

Mr Gorbachev and the more radical Soviet leaders have stressed in recent months the need for political changes including more posts filled by elections with secret ballots and a radical improvement in the quality of stalling as a precondition for economic progress.

Mr Yeltsin said that seven re-search institutes were closed in Moscow last year because they had failed to contribute enough new research and that the aver age age of one in four directors of

Speaking of the position of youth in the capital, Mr Yeltsin

said that an opinion poll showed that every third head of Komsomol (the Communist youth organisation) was not popular with

The alienation of youth has been a growing topic of discus-sion and concern in the Soviet press. Last Sunday, there was an press. Last Sunnay, mere was an imprecedented demonstration in central Moscow by 500 youths protesting against gangs of youths called Lyuberites from the Moscow suburb of Lubertsynha attack wants with an unwho attack people with an un-conventional appearance.

The Lyuberites, who wear baggy tartan trousers, white shirts and narrow black ties, do not drink or smoke and go in for body building.

UK union proposal Continued from Page 1

"then I happen to think it's an argu- But he made clear that the Gov-

ment that we would win." knowledged that the tone of the distries. cussion paper is such that "the Government is minded to take these

various steps." the legal protections for enforced "clearly" a response to recent unionised employment implied a events in the 1984-85 miners' strike

ernment had no intention at pres-Though formally organisations ent of making any moves either to-have two months in which to reply to the discussion document before a procedure agreements or towards procedure agreements or towards and the state of the state o planned subsequent pre-legislation the restriction of strike action by policy document, Mr Clarke ac-

The Confederation of British Inrarious steps." dustry, the employers federation He accepted that the ending of said that the green paper was

would see to ensuring its security needs on the north border. This is being interpreted as a reference to the maintenance of a long-established "red line" across southern Lebanon, the crossing of which by Syria would be regarded by Israel as a hostile act.

procedure agreements – including the strike-free deals being reached by some unions – as a different methanism for such a relationship.

Lonuon. As a sau unere was a need to provide proper safeguards for individual union members but with systems, which would interfere out interfering unduly in unions' interfere court interfering unduly in unions' interfered agreements.

ITT Corporation

has sold its

Telecommunications Business

Alcatel N.V.

a joint venture formed with

Compagnie Générale d'Electricité of France

> The undersigned acted as financial advisors to ITT Corporation in this transaction.

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Principles, practice and poor performance

over a number of years in a complex job such as managing, how do you go about doing it? In particular, as you have presumably got better since you first started, how do the ways you go about it today differ from the ways you went about it at the outset?

The chances are that you will have no clear idea of the ans-wer. Most of us who have jobs of that kind feel that we are liable to be driven quite mad enough just by doing them without worrying ourselves about how.

Little rigorous thought tends to be put into the question even by people to whom it is deeply important, such as teachers in schools, colleges and univer-sities. The reason is apparently that they mostly believe the answer is obvious.

They assume that success in

They assume that success in complex work depends primarily on intellectually thinking out what to do by rationally applying appropriate principles. That kind of thinking has to be done in terms of information which can be expressed in words and figures, and so be imparted by books and lectures, and tested by written examinations,

Nobody pretends that intellectual ability is the whole ex-planation of skill in managerial planation of skill in managerial and other jobs which present a series of linked challenges—
throwing up a situation demanding action, which creates a fresh situation demanding new marked and the results and the results and the results and the results and the rate of school, it was assumed they signal also received a buffet.

What can it all was to manipulate the levels of flation exercise none of the as their intellectual understandwas to manipulate the levels of flation exercise none of the as their intellectual understanding action. Since all the notion that practical Broadbent, I may to manipulate the levels of flation exercise none of the as their intellectual understandon the same time What can it all was instructions. Since all the notion that practical Broadbent, I may to manipulate the levels of flation exercise none of the as their intellectual understanding of it deteriorates.

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sports in which people can clearly become aces without

sports in which people can clearly become aces without having much intellectual prowess.

Even in sports, however, it is widely believed that skill will be improved by injections of knowledge of principle, although not as much as by practice of the activity either in rehearsal or for real. Moreover many people seem convinced of two further things.

One is that the correct

One is that the correct principles are fundamental in the sense that once they are recognised intellectually as the mainsprings of success they will never thereafter be doubted.

The second is that practical was centred on the economy of exercises will produce faster improvement if they are arranged so that their lessons simple than real-life managements are sharply pointed out, with mistakes leading to results more noticeably wrong than they would be in real life, and good actions leading to exagger.

action, and so on. After all, happen to be married to one inflation, such dynamic activities include another, and Peter FitzGerald, know the sports in which people can Donald B in particular has long need to re-

In the reported experiments, the three researchers set different groups of people to work at two types of tasks. The first was organising a simulated transport system. The second was centred on the economy of

they would be in real life, and good actions leading to exaggerated benefits. In other words, it is often believed that practical learning will be accelerated if the "feedback" signals are strengthened.

I of course cannot know whether you readers in dynamic jobs feel that those beliefs are true about the things you do for your near-living. If so, wore complicated, the object was to manipulate the levels of was to manipulate the levels of more complicated, the object was to manipulate the levels of the manipulate the levels of the could well be unsettling.

were given forced-choice ques-tionnaires before and after the exercises to test their intellecexercises to test their intellec-tual knowledge of what they were doing. How well or other-wise they actually did it, could decrease it, or leave it the same. In two of the groups, all the members correctly ans-wise they actually did it, could wered "decrease it." That was wise they actually did it, could of course be measured by the results they achieved.

In the transport task one group was verbally instructed how the system worked before being set to run it. Another group was let loose on it without any preparation.

At the end, the instructed group was a bit better than the group was a bit better than the unprepared group in intellectual understanding of the task. But the instructed people were no better at actually running the system. Those who replied correctly to the questionnaires had mostly done worse in practice than those who replied incorrectly. "There is no evidence whatever that greater ability to answer questions is associated with any advantage associated with any advantage in actual performance," the three psychologists declare.

In the unemployment and in-

inflation. Anyone wishing to would have a fair intellectual The exercises done by the pair know the results in full will grasp of the economic notions of groups already mentioned

run to increase unemployment,

on the belief that correct prin-ciples, once grasped intellec-tually, prevail.

Changed view

On coming to the question about the immediate effect of raising public spending, for in-stance, about half of each group's members altered the right answer they had given previously to a wrong one. So here we have a case of

people improving with practice at something at the same time as their intellectual understand-

know the results in full will grasp of the economic notions need to read the report in the British Journal of Psychology (1986,77, 33-50), for I have tified by the questionnaire they room here for only some of the findings.

All the researchers' victims were given forced-choice questionnaires before and after the

What happened was that, inrun to increase unemployment, decrease it, or leave it the same. In two of the groups, all the members correctly answered "decrease it." That was truly how the system worked.

In actually managing the simplified economy, both groups significantly improved their performance with practice. But when they were given an identical questionnaire after the event, their replies cast doubt on the belief that correct prin-

people deteriorating with practice at something at the same time as their intellectual understanding of it improves.

If readers' minds should by any chance be somewhat boggi-ing at this point, I will assure them that mine was doing the same when I read the outcome of the experiments for the first time. Indeed two close colleagues with whom I separately tried to share my puzzlement each replied that, incredible though it seemed to them, I must have been overworking.

What can it all ever mean? Well, having since had a chat ing of it deteriorates, on the telephone with Donald The notion that practical Broadbent, I may have a fair chance of giving some explana-tion. But it will have to wait

ECONOMIC DEVELOPMENT UNIT

Development Executive SALARY £ NEGOTIABLE

The Economic Development Unit is a commercially-orientated business development agency with specialist property, financial promotional and training resources. Since 1982, it has been instrumental in developing a successful industrial policy for the Borough and contributed to the creation and retention of 2,400

jobs. We now wish to add a Development Executive to our team whose role will be to stimulate and advise manufacturing companies and to assist them in achieving a wider appreciation of business opportunities. Working with local managers the Executive will encourage employment creation and retention through an assistance package almed at helping companies improve their efficiency, productivity and performance.

The ability to understand and analyse the problems of both small

The ability to understand and analyse the problems of both small and large organisations is essential as is the ability to produce original and practical solutions to business problems. Effective communication skills will be vital. It is unlikely that the successful applicant will have less than four years' practical experience in two of the following areas: manufacturing management, finance, marketing, corporate planning and management consultancy. Candidates should hold a degree and a relevant professional qualification. Applications from individuals would be welcomed as would offers from private sector companies to second a member of staff for a two-year period. The post offers an attractive career development option. In this case the Council would be prepared to negotiate

option. In this case the Council would be prepared to negotiate appropriate financial arrangements.

For further information telephone John Evans, Head of EDU, on 01-303 7777 Ext. 8384. Application forms available from Technical Services Secretary (Personnel), Sidcup Place, Sidcup, Kent, DA14 68T (81-303 7777 Ext. 8348). Closing Date 10th March 1987.

Personal Financial Products

Sales Liaison Director

Major Financial Group c.£40/45,000 + Management Bonus

We have been asked to help find a key person in the continuing development of our Client's very substantial Unit Trust business. Our Client is one of the largest financial groupings in the country and the role envisaged is one of liaison between the Unit Trust area. and the large-scale national sales force.

The job calls for a sales professional who has worked in the Financial Products area for a number of years and who combines personal sales ability together with a knowledge of Marketing and Product Development. The person appointed must be able to evidence having been involved in the successful organisation of seminar selling, training and communication. He/she will have an additional role in the commissioning and organisation of brochures, presentation, material etc.

Ideally candidates will be aged 33-45 and may have worked for a similar operation. Knowledge of Unit

Trusts is not essential but a thoroughgoing understanding of the current Personal Financial scene is

This is seen as a development role and is likely to lead to increasing responsibility within one of the foremost operators in the field. In addition to a generous salary, there is a management bonus, a company car, a subsidised mortgage and generous relocation package to the London area, if appropriate.

Please write in confidence, quoting ref. 799, to James Curtis at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

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- £25.000-£33.000 + CAR
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The role embraces a whole range of banking service assignments to an impressive international client base. The Group has a particular expertise in risk management, foreign exchange and money market operations. They have a strong reputation for

the design of MiS operating procedures and controls. Candidates should be 27-33 years old with substantial international banking experience from an auditing, operational or management accounting

background. Educated to at least degree level, potential Consultants should have strong presentational skills, high levels of enthusiasm and excellent analytical "problem solving" abilities. Numeracy and computer literacy from a user standpoint are essential. The more senior positions are open to candidates with consultancy skills gained in an external or internal capacity. In return exciting

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Property Specialist

A Leading European Bank, which is one of the world's largest, with a growing presence in the field of property lending is seeking an Account Manager to join its Corporate Banking Team. The role will involve expanding the bank's current activities in this market and establishing a small team of specialists committed to long term property lending.

The ideal candidate will be a qualified Surveyor in his/her late 20's to early 30's with two to three years' property lending experience within the Banking Sector. Motivation, excellent communication skills, maturity and the ability to work well within a team are essential qualities for this demanding role.

Those interested in discussing the opportunity further should contact Julia Cartwright on 01-404 5751 or write in confidence to 39-41 Parker Street, London WC2B 5LH, quoting reference 3729.

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SENIOR FOREIGN EXCHANGE SPOT BEALER

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In his/her early to mid-twenties and with one to two years' experience in the DM bond market, the successful candidate will quickly be expected to become a fully-integrated member of a small active team and must therefore be highly self-motivated and able to cope with responsibility. A good academic background is also important and a working knowledge of German would

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> Applicants should write in confidence to Box A0425 Financial Times, 10 Cannon Street, London EC4P 4BY

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London EC2R 6AH

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TSB ENGLAND & WALES PLC are seeking two senior credit professionals who can rise to the challenge of establishing a new credit scoring and credit information unit. This new team will play a key role in supporting the Banks range of credit services. The unit will be required to develop the Banks existing advanced credit scoring systems and credit databases, which will provide management with enhanced controls and information to

underpin further profitable lending growth.

Ideally, candidates will be aged 28–38, be able to offer a high level of commitment and seek to establish and maintain high standards in their sphere of operation. They will also have experience of credit scoring, and a good understanding of credit issues.

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Salary range £24,000-£27,000 +status car + banking benefits.* The successful candidate will be required to lead this new unit and must be able to demonstrate:

- a sound understanding of management information needs
- experience in the use of computer systems
- strong interpersonal and communication
- a successful managerial and leadership record to date

 a business orientated approach. Please apply in writing giving full personal and career details (including current salary and benefits) to:

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Salary range £20,000-£23,000 +banking benefits.*

Playing a key role in developing new score cards and scoring systems and reporting directly to the senior manager, the successful candidate must be able to demonstrate: substantial experience and knowledge of

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- *Banking benefits include mortgage subsidy. non-contributory pension scheme. Christmas bonus, profit sharing scheme, BUPA membership and 30 days annual holiday.

Mr R Bentley, Development & Training Manager, TSB England & Wales plc, 100 Lower Thames St., London EC3R 6AQ. Closing date for applications is 6 March.

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A wholly-owned subsidiary of the Long-Term
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The position will provide an opportunity to
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A minimum of two years'

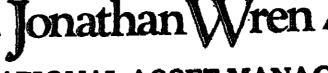
A minimum of two years' post-qualifying, experience including

involvement with at least 10/20 Eurobond issues plus all related client work - is essential. Additionally, a knowledge of facility, commercial paper and SWAP documentation would be advantageous.

Aged late 20's - 30's and ambitious to progress in an international rôle offering excellent long-term potential for corporate finance.

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Vivien Karam, Personnel Department,
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INTERNATIONAL ASSET MANAGEMENT AND PRIVATE BANKING SERVICES

A prime international bank is developing further its private banking services in the West End. We are currently assisting in the recruitment of three key individuals in the advisory and discretionary portfolio management area:

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The Senior Adviser will be responsible for investment advice and product sales to high net worth individuals. Aged 33-45, the successful applicant will have a thorough understanding of all global markets and private banking services, and fluency in Spanish and other European languages will be highly valued.

INVESTMENT ADVISER

The ideal candidate will have a minimum of five years experience in securities and banking — not necessarily in the City as such — and should be personable, articulate and numerate. Linguistic ability would again be a distinct advantage.

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This represents an outstanding opportunity for an experienced investment administrator with the drive and ambition to move into fund management per se. Again, applications are invited from candidates who may be located beyond the Square Mile, e.g. in a local trust bank or stockbroker's office.

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Interested candidates should contact Roger Steare or Barbara Dabek.

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London to £20,000

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2600

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> Please contact Jonathan Holmes in confidence. Telephone 01-606 1706 (office), or 01-582 8726 (evening/weekend): alternatively, write to him at Executive Division, Anderson, Squires Ltd, 127 Cheapside: London EC2V 6BU

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Applications in writing, with full curriculum vitae should be addressed to:

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KEY MERCHANT BANKING OPPORTUNITIES

Our banking activities continue to expand and we need innovative bankers to develop opportunities that have been created. If you are considering a career move and are attracted to joining a leading British merchant bank which seeks to serve its customers excellently, then we wish to hear from you. We aim to fill the following jobs in the next two months.

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The individual appointed will be responsible for marketing a range of merchant banking products to companies in London and the Home Counties. The individual will have already established a wide range of contacts with interesting private and public companies in the region. The candidate will have extensive credit experience and be able to create innovative solutions to customers' banking problems. In view of the seniority of this position, it is unlikely that anyone under the age of 30 will

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Reporting to the Head of Leverage Lending, the individual will play a major role in leverage transactions, mainly MBOs, in the UK where size range of transactions will initially be £5m-£30m.

Applicants must have a wide experience of lending, good analytical and numeracy skills, and at least two years concentrated in leverage

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The successful candidate will join an experienced commercial banker and a tax expert to formulate, market and execute deals which are predominantly fee generating.

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The difference can be found in the high
aspirations of the employer corporation, and
is sought in a candidate with drive and ambition.

The performance of Canadian investment dealers, in London, varies dramatically. In some cases, the UK component of a Canadian dealer's institutional revenue is only a fraction of the total, in others, the patronage of UK money managers accounts for a larger, more significant percentage. Our client, a major Canadian securities dealer, is looking for more, much more, Hence an opportunity for the

VICE PRESIDENT U.K. LONDON, ENGLAND

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The person we are looking for is a proven producer of first rate results in the institutional commission business with a keen sense of commission dusiness with a keen sense of the needs of modern money managars. He/she is determined to express leadership ability in training, dev.loping and motivating institutional sales professionals. Our candidate, however, is clearly a "hands on" sales executive who

thoroughly enjoys getting unusual results from key accounts. Moreover, the individual we are looking for is a sharp analyst of customer behaviour who is highly motivated by the challenge of developing a sales strategy for the market as a whole, as well as building an indelible corporate image in the minds of targeted client groups.

Our client, a fully integrated Canadian investment dealer, with rapidly growing operations in the global marketplace, is seeking new and dynamic leadership of its UK organisation. This role combines direct responsibility for institutional marketing of Canadian securities, and original investment ideas with an exciting leadership role.

Reporting to senior management in Canada, the new executive will personally handle major accounts and build a team of professionals on London. This opportunity is created by our client's commitment to major growth and enhancements to their corporate organisation very devided. Already an industry leader in Canada worldwide. Already an industry leader in Canada, the firm fields a team of research professionals which has consistently performed at the top for over a decade. As a key player in major Canadian financings, the firm has consistently produced top quality investment merchandise in every sector of the economy and, in recent years, has demonstrated the ability to produce unique and unusual investment opportunities for institutional money managers

in several countries. In addition to the challenge of providing first class Canadian equities and fixed income coverage in the UK, the new executive will maintain close relationships with the corporate finance professionals of the firm with a view to developing merchandise which fits the objectives of key accounts in the region. The ideal candidate is a proven success at fits the objectives of key accounts in the region. The ideal candidate is a proven success at providing first rate investment service to money managers who is keen on leadership responsibility and business building. The career opportunities which follow success in this role are truly outstanding. This firm is growing, responsibly, but at a rather profound pace.

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experience, gained with a bank or other financial institution, and be able to work on his/her own In addition to a competitive salary, we offer a range of benefits which include a company car, mortgage subsidy, pension and life assurance, and private

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We now wish to recruit an additional person with a relevant professional qualification to assist in marketing the Bank's Corporate Services in the

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Please write in confidence with full career

ROYAL ME TRUST **Royal Trust Bank**

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is shortly to transfer the activities of its Zurich based bullion broking subsidiary to London. The new company is looking for staff with at least 2 years experience of bullion broking or trading. Salary packages will be competitive and include a profit related bonus.

Please apply with full C.V. to Paul W. Burnand, Director, Exco International p.l.c. 80, Cannon Street, London EC4N 6LJ. Tel. 01-623 4040.

The Clerk of the GOLDSMITHS' COMPANY

The Goldsmiths' Company, one of the Great Livery Companies of the City of London, is primarily concerned with the craft of silversmithing and jewellery making but also has considerable charitable, educational and property interests. The Company has some 240 employees of whom 190 are in the London Assay Office. The present Clerk, who is the Chief Executive of the Company, is due to retire in August 1988 and applications are invited from persons who consider they are well qualified to fill this post.

The successful candidate will need to have outstanding personal qualities and administrative ability and be able to organise and play a major part at ceremonial and social

Applicants should preferably be in the age range 35 to 50 and should have a professional qualification. For further details apply to:-

The Personnel Manager THE GOLDSMITHS' COMPANY Goldsmiths' Hall, Foster Lane London EC2V 6BN

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The thorough and energetic application of your recruiting skills, negotiating ability and commercial acumen will not only assure your success in this role but also your rapid progression into management. The working environment, financial package and company spirit are excellent, as are the benefits, which include private health cover and choice of performance car.

To apply, please telephone or write in confidence to Beverly Kemp.



International Search and Selection 160 New Bond Street, London WIY OHR Telephone: 01-409 1371

INVESTMENT MANAGEMENT OPPORTUNITY NEGOTIABLE SALARY

+ CAR + MORTGAGE

Sun Life of Canada's Investment Division is moving in March to modern offices close to Charing Cross. The Division has expanded considerably following the introduction of new products. Assets under management now total £1.5 billion. This figure includes £600 million of equities of which some £60 million is invested

overseas. We wish to further strengthen the Division by recruiting an equity analyst/portfolio manager. The successful applicant will be aged 25-30, have a good analytic background and the ability to make an important contribution to the management of our funds at an early stage. Experience of one or more overseas markets would be an adventure.

An attractive and fully competitive remuneration package is offered and prospects for advancement are excellent. Interested applicants are invited to send a detailed curriculum vitae

> Mrs Susan Hanington, Employment Adviser SUN LIFE OF CANADA 2, 3 & 4 Cockspur Street, London SW1Y 5BH Telephone: 01-930 5400 Ext 121

> > **SunLife of Canada**

ECONOMIST FOR TOKYO

- * Nomura Research Institute incorporated in Japan is one of the largest research organisations in the world. NR1 Tokyo specialises in economic and investment research and works very closely with The Nomura Securities Co. Ltd. and its group in their investment banking activities.
- * On their behalf we seek a young and experienced economist, aged 25-30, who is capable of carrying out excellent economic forecasting and analysis of the European, including the UK, and/or world economy. Working experience in monetary authorities or banking institutions is preferable and knowledge of conversational Japanese is an advantage.
- * The position will involve collection and analysis of economic data and the writing of articles for monthly and quarterly publications. Occasional presentations at seminars and joint research projects with Japanese colleagues will also be included.
- * Remuneration will be from £35,000 and will be commensurate with experience. The position will entail a contract for two years service in Tokyo.
- ★ For an initial talk in confidence please contact Clare Kearns.
 20 Cousin Lane, London, EC4R 3TE. Telephone 01-236-7307.



STEPHENS ASSOCIATES SEARCH & SELECTION SPECIALISTS IN SECURITIES & INVESTMENTS

Baring International Investment Management Limited

Assistant Portfolio Manager

Baring International is seeking an assistant UK equity portfolio manager to join the Company's investment team in its head office in London. The person should be in his or her early or mid-twenties and have some prior investment experience.

The company manages approximately US\$4,000 million in the UK, European and Far Eastern stockmarkets. It is intended that the successful candidate for this post will assume full portfolio management responsibility in due

Please reply in writing enclosing a CV to:

London EC2N 3AQ

David Scholfield BARING INTERNATIONAL INVESTMENT MANAGEMENT LTD 9 Bishopsgate

Ionathan Wren

CORPORATE FINANCE OFFICER

Our client, a well-known international bank, is continuing to develop its business base in the U.K. middle market corporate sector.

This has led to an immediate opportunity for an entrepreneurial, young banker with a flair for new business development including the more

innovative financing techniques such as leveraged financing, equity and quasi-equity, as well as a sound background in the more usual corporate banking activities.

A successful track record of at least two to three years business development is required plus first class communication and analytical skills. The salary offered is highly competitive and a full range of benefits will be offered, Contact Norma Given.

All applications will be treated in strict confidence.

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onathan V No.1 New Street, (off Bishopsgate), London EC2M 4TP. Telephone: 01-623 1266. Fax: 01-626 5258.

EUROBOND SYSTEMS

CLIENT LIAISON

HERTFORDSHIRE BASE

circa £14,000

An exciting opportunity has arisen with the foremost supplier of Eurobond computer systems software for a person to assist and advise clients during the installation phases.

Following thorough training in the company's methods and systems, the person appointed will join a small professional team working with clients in the City and occasionally overseas. This will involve installing and demonstrating the system followed by training of the clients on their premises.

Applicants for the position should have experience of bond settlements and be able to communicate effectively with clients.

Other important qualities include diplomacy, self-motivation, calmness and confidence.

If you are ambitious and seeking a challenging role within an organisation that recognises and rewards achievement, contact Myriad on 04:353 0981. Alternatively write with career details quoting reference S1/2502/F to:

MYRIAD APPOINTMENTS (LONDON) LIMITED

30 Fleet Street, London EC4Y 1AA

Morgan Grenfell Securities

Due to the continued growth in its business, both in the UK and overseas, Morgan Grenfell Securities (MGS) is looking to recruit additional staff. It would welcome enquiries from experienced securities professionals in the following areas:-

1. UK Equity Sales

Over the past year, MGS has built up a significant market share of institutional business in UK equities and now has a requirement for 4-6 additional staff to add to its coverage of both UK and international money managers.

2 UK Research

Following an extensive recruitment programme over the past year, MGS's UK research department numbers approximately 40 and now covers around 75 per cent of the UK equity market. It is still extending its coverage into new sectors such as printing and publishing, food manufacturing, and transportation.

3. European Sales, Research and Market-Making

Morgan Grenfell Securities International (MGSI) operates as a dual capacity broker dealer in the major European stock-markets. MGSI is extending its client and market coverage and would like to hear from individuals with the required skills in any of its disciplines.

Morgan Grenfell Group recently acquired Cyrus J. Lawrence Incorporated, a highly respected, research-based, New York brokerage house. The Group has also been awarded a branch securities licence in Japan. It is looking to recruit staff working in these locations to sell both UK and European securities.

Please reply to Mark Heyes, Staff Department, Morgan Grenfell Securities

Morgan Grenfell Securities Limited PO Box 479

20 Finsbury Circus London EC2M 7BB **MORGAN GRENFELL**

APPLIED ECONOMISTS FOR CONSULTANCY

Peat Marwick's consultancy practice is growing rapidly and to meet demand, we need more applied economists of exceptional ability with a number of years experience in either the public or private sector.

Our assignments are varied and challenging and include:

- forecasts, helping clients ensure that their business plans are based on sound economic assumptions;
- industry surveys, reviewing the economic position and prospects for sectors of industry, as background to our clients' strategic planning;
- public policy analyses, advising central and local government on

economic and industrial issues, both in the UK and overseas.

We require first rate academic qualifications and successful relevant experience. Some macroeconomic expertise would be an advantage.

The positions will be based in London, but some travel is likely, as are occasional periods of secondment to

Our salary package is fully competitive and includes a car at appropriate levels.

If you are resident in the UK please send a c.v. with remuneration history quoting ref. F/E/FE7 to: Vicky Pryce, Economics.

Appointments Wanted

BUSINESSMAN—aged 38
Experience in business cleaning, marketing, sales and general management, with financial and commercial acumen, seeks position of PA TO CHAIRMAN OR CHIEF EXECUTIVE Based NW Used to extensive travelling UK Write Box A0426. Financial Times 10 Cannon St. London ECAP 4BY

FOREX

APPOINTMENTS For Forex, Capital Markets and Treasury appointments consult a specialist agency TERENCE STEPHENSON Prince Rupert House 9-10 College Hill, London ECAR 1A: Tel: 01-248 0253

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MIKE POPE ON 01-247 8314 Bank Chambers, 2nd Floor

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At the heart of the Investment sector £15-25,000

Regulation and compliance offer the unusual combination of personal and intellectual demands posed by an environment of rapid change and outstanding long-term career prospects.

IMRO (The Investment Management Regulatory Organisation Limited) is at the forefront of development in regulation and compliance. We are interested in hearing from graduates with at least 2 years' financial services experience or lawyers and accountants who have had exposure to the sector. The wide-ranging nature of the roles offered demands technical and personal skills of the highest

You will work both individually and as part of a team on inspections and investigations. These will centre upon fund management and investment advisory businesses from the major merchant and investment banks to smaller independent concerns - offering unique opportunities to gain first hand knowledge of the sector.

For further details, please contact Nick Root on 01-404 5751, or write enclosing a full c.v. to Michael Page City, 39-41 Parker Street, London WC2B 5LH. Strict confidentiality assured.



Michael Page City

International Recruitment Consultants-London Brussels New York Paris Sydney A member of Addison Consultancy Group PLC

Japanese equity sales experience?

Establish a Name for **Yourself!**

c.£30k + benefits

. My client is the newly-established London branch of a major overseas securities house, itself part of a prestigious international finance group backed by immense resources and long-standing experience. Offering a comprehensive package of financial services, the new company is the spearhead of an ambitious programme of expansion into other foreign markets, in which international corporate and institutional business will play an increasingly vital role in the parent's overall marketing strategy.

As a first step the company now wishes to appoint a Japanese equities sales executive to launch this sector of its activities in the U.K. This is an exceptional career-building opportunity providing early responsibility and considerable freedom of initiative.

Probably aged 25-30 and a graduate in finance or economics, you will have between one and two years' relevant equities experience, supported by sales flair and market awareness, and will be capable of making an immediate contribution by building on an existing

Energy, enthusiasm, decisiveness and resilience under pressure will all be key personal characteristics, and you will be at once articulate, authoritative and persuasive, creating both interest in the product and confidence in the company. You should also possess a stable, team-orientated personality and display drive and managerial potential.

Interested? Then ring or preferably write, in total confidence, to me, Trevor G. Boon, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London, W1R 5FA. Tel: 01-439 6288.

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FINANCE DIRECTOR DESIGNATE

Tel: 01-658 5926

Lothian Regional Council Department of Planning

ECONOMIC DEVELOPMENT MANAGER £23757-£25530

The Regional Council is committed to encouraging industrial development through the attraction and expansion of companies. It promotes and manages industrial land and factory and workshop premises. The Authority has recently established an Employment Committee as a means of becoming more directly involved in stimulating employment and investment in local industrial enterprises.

The Economic Development Manager will be required to advise the Council on policies to stimulate economic development and employment in the Region; to manage and develop links with other organisations concerned with business enterprise and attracting investment in Scotland; and to maintain close working relationships with existing industry in Lothian Region.

Candidates should have considerable experience at a senior management level ideally involving personal responsibility for hyperina and senior management.

level, ideally involving personal responsibility for business development. Awareness of the wider community aspects of stimulating employment would be advantageous, as would a sound knowledge of industrial and commercial finance and the range of incentives available. Experience in presenting commercial proposals to public bodies and companies of major standing would be an advantage. Closing date for applications will be 21 March 1987. Further details may be obtained from: Administrative Officer,

Planning Department, Lothian Regional Council, 12 St. Giles Street, Edinburgh EH1 1PT. Tel: 031-229 9292 Ext 3479.

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Lothian Regional Council is an equal opportunities employer and will prevent destrictivation perticularly on grounds of sex, mental status, disability, reso, colour, religion, amuel orientation, nationality or clinic origin.



Samuel Montagu is a leading bullion house and a member of the London Gold and Silver markets. As part of Midland Montagu, it has the support of one of the most influential investment and merchant banking groups in the City. $M \mid M O$

We now seek to appoint a young dealer with 2/5 years dealing experience, preferably in the bullion markets.

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> Please write with full career details to:

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Salary: £25,000-£30.000

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Please contact Catherine Virr on 01-621 1942 or write to her at 18 Rood Lane, London EC3M SAP **BRUNEL BANKING**

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Monex Limited are looking for successful Money Brokers with expertise in the following markets:

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Joe Holdsworth, Managing Director MONEX LIMITED Dunster House, 37 Mincing Lane London EC3R 7BQ 01-929 1064 01-283 1783



Due to expansion in our research activities a number of positions are available:

SENIOR EDITOR

s thorough knowledge of UK and international financial institutions tertake a series of Compotitor reports. The Senior Editor will also ponsible for the development of Databank's European programme.

SENIOR AND JUNIOR ANALYSTS With a minimum of two years' exposure to the UK financial sectors and a good understanding of relevant research techniques for competitive strategy analysis.

Knowledge of European languages would be an advantage. A competitive salary will be offered to suitable candidates.

Picase write with CV to: DATABANK LTD London House, Old Court Piace 25/40 Kensingson High Street London W8 4PF Altn: Head of Research

UNIVERSITY COLLEGE OF NORTH WALES COLEG PRISYSGOL GOGLEDD CYMRU

DEPARTMENT OF ECONOMICS TSB CHAIR IN TREASURY

Applications are invited for this newly established Chair within the Department of Economics. The TSB Chair—endowed by TSB England and Wales pic—is intended to focus academic attention on the increasingly complex and chailenging discipline of treasury in banking and the corporate sector. Applicants are expected to have a suitable academic background in at least one related academic discipline, like banking, finance, economics, management, accountancy or business studies. Applications would also be welcomed from suitably qualified practitioners outside academia. Salary will be negotiable within the professorial range—minimum £19,010, currently under review.

Applications—ten copies (one copy from overress applications)

£19.010. currently under review.

Applications—ten copies (one copy from overseas applicants)—giving full details of age, qualifications and experience, together with the names and addresses of three referees should be sent by Friday. 1st May 1987, to Mrs M. E. Macdonald. Assistant Registrar, University Coilege of North Wales, Bangor, Gwynedd LL57 2DG, from whom further particulars may be obtained.

CITY GRADUATES

A leading Stockbrokers seeks numerate graduates with one or more years' relevant City experience for its European Research and Trading team. All applicants will be interviewed and advised according to potential revealed at the interviews.

Please write, enclosing full curriculum vitae, to: Box A0423, Financial Times 10 Cannon Street, London EC4P 48Y

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Very attractive salary plus usual fringe benefits.

Applications in confidence to:-John Caldwell, AGM BANCO TOTTA & ACORES ondon EC4N 6AQ

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The creation of Midland Montagu has diversified the role of audit to embrace:

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both in the City and through a wide network of subsidiaries in the UK and overseas.

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to c.£25,000 + benefits You will be involved in analysing all aspects of the Sector's business with emphasis on corporate objectives, planning, policies and procedures, risk management and operational and financial controls.

Your background can be one of two kinds. You could be a recently qualified ACA with experience of auditing investment banking activities or a banker with experience of audit in another investment bank.

Alternatively, if you have extensive audit experience you could be a manager from one of the "Big Eight" accountancy firms looking for a move into a banking

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This role encompasses computer strategy reviews, the monitoring of systems in development, functional audits and the examination of specific applications. Ideally, you will have already progressed into a computer audit role and will be familiar with auditing all aspects of an advanced computer system. A recognised accountancy qualification would be an advantage.

If you are not currently auditing, we will train you if you can demonstrate a solid EDP background (6 years EDP experience. 3 in an analytical or managerial position) and have the ability and desire to progress into a consultancy type role.

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A N D

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We need a Programme Acquisition Executive to join a small team which is responsible for the legal and business affairs involved in the commissioning, financing and buying of programmes and with co-produ

The position would suit either someone with a legal background interested in moving into a business environment or a business graduate with some knowledge of contract law - but in either case someone who is prepared to work under pressure with enthusiasm. Some previous experience industry would be an advantage.

Please send your CV to The Personnel Department, Channel 4 Television, 60 Charlotte Street, London WIP 2AX by March 11th quoting Ref. CL4.

Corporate Banking **Account Manager**

One of the world's largest banks, this leading European institution is looking forward to substantial growth in its UK Corporate Banking Division over the next few years. Capitalising on an established and profitable base, expansion will come from a variety of both new and existing clients, giving the successful candidates excellent opportunities to broaden their experience.

You should be a graduate in your late 20s/early 30s with an extensive knowledge of Lending and Treasury Products and a minimum of two years' experience in account handling. Personal qualities should include maturity, self-motivation and the ability to communicate at all levels. You will be rewarded with a competitive salary and a performance related bonus.

For further details please contact Fiona Collins on 01-404 5751 or write to her in strictest confidence at 39-41 Parker Street, London WC2B 5LH, quoting reference 3728.



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MELLON BANK N.A.

London Branch

CORPORATE DEALER

An opportunity exists to join our highly-respected Corporate Treasury Unit, which is responsible for marketing our European Treasury products. We are seeking a high-calibre individual to fill this challenging position. The candidate must be able to demonstrate an ability to work in an energetic and innovating environment, where much emphasis is put on the development of new marketing products.

He/she will probably be in their late 20s, with a minimum of three years' experience in a Corporate area at an active International Bank, or equivalent, at a large multi-national organisation. The position will suit some one who is looking for greater responsibility and its

Interested candidates should either apply in writing, enclosing a curriculum vitae, to:

Jackie Maynard, Personnel Department MELLON BANK N.A. 6 Devonshire Square, London EC2M 4LB or telephone

Assistant Company Secretary c£30,000 International Investment

Tony Spence on 01-623 2495

GT Management PLC, the International Investment Managers, seek an experienced Chartered Secretary or Qualified Accountant to work with the Company Secretary. The main task will be to take responsibility for many aspects of the Company Secretarial Function within the UK and to assist in the development and monitoring of it for our expanding

You will probably be aged 25 to 35, with at least five years practical experience, preferably in the financial services business. You will have organisational skills, be a good communicator and be willing to

The initial package will be about £30,000 and will include a Company car.

Please send your full curriculum vitae to: Michael Hill, GT Management PLC, 8 Devonshire Square, London EC2M 4YJ.



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For further information, call:

Jane Liversidge 01-248 5205

Daniel Berry 01-248 4782

Emma Cox 01-236 3769

Opportunities in International **Economics**

A rare opportunity exists to join one of the City's top rated international economics departments. This is a small high-quality team in one of the world's leading investment houses. It is seeking 1 or 2 young post-graduate economists to start work this year. The work will involve forecasting and analysing economic and financial variables in foreign countries, as well as in the U.K. Applicants should have an excellent degree or postgraduate qualification in macro-economics and/or econometrics. Some work experience is an advantage but not essential. The job will be interesting and challenging, with early opportunities for advancement.

We offer a highly competitive remuneration package which includes a wide range of benefits.

Please reply in writing, with full curriculum vitae, to Box A0424, Financial Times, 10 Cannon Street, London, EC4P 4BY.

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Expending international bank seaks young bond sales person, ideal spolicant will have had 3 years' experience of salling a variety of bonds and may have controlled a small sales team.

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Replies to: **OPPENHEIMERS** 20 Copthali Avenue London EC2R 7JH For the attention of Mr F. J. Donagh

Ionathan Wren

INFORMATION/ **COMMUNICATIONS MANAGER** LONDON

c£40,000 + Benefits + Car

international Trading and Finance could not function as it does today without two important technologies, computing and communications. Our client recognises that the futures of computing and communications are inextricably linked when applied to international business.

In order to maintain their leading edge in the Global Commodities Market Place, this major London based International Trading Company, with offices worldwide, is seeking to recruit an Information and Communications

The successful candidate will ideally be well educated, possess excellent communications skills both written and oral, and be able to liaise at director level. The blend of technical and applications knowledge is a pre-requisite as is a proven track record of man-management, project management plus responsibilities of large budgets and timescales. In addition sound experience of Reuters, Telerate and V-Band would prove a significant

For further Information about this position, or to discuss your particular requirements in confidence please contact Terry Rickaby.

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No.1 New Street, (off Bishopsgate), London EC2M 4TP. Telephone: 01-623 1266. Fax: 01-626 5258.

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MAJOR INTERNATIONAL PROPERTY CONSULTANCY SEEKS RETAIL SPECIALIST TO DEVELOP PRACTICE IN LONDON OFFICE

following background is essential:

Minimum 15 years' relevant retail consultancy experience, with at least 5 years recent exposure outside the UK, in North American or Australian markets

Evidence of establishing and managing a retail research and development strategy which includes in-depth knowledge of retail and consumer market research

which includes in-depth knowledge of retail and consumer market research methodology, techniques and applications
Consulting experience to embrace all aspects of shopping centre development, including speciality and leisure centres
Established credibility and a high profile in the industry, which will certainly have included articles in trade publications, relevant public speaking engagements and participation at conferences
Postgraduate degree, such as an MBA
Generous remuneration package is available to the right candidate, who is likely to be in age group 37-47
Please apply initially to Box A0414, Financial Times
10 Cannon Street, London EC4P 4BY, by not later than 25th February

International Appointments

FIDELITY INTERNATIONAL

TWO NEW MAJOR REGIONAL APPOINTMENTS

Tith over US \$65 billion under management the Fidelity Group is one of the world's leading and fastest growing international investment groups. The Hong Kong office of Fidelity International is seeking to fill two parely constant and transfer in the seeking to fill two parely constant and transfer in the seeking to fill two parely constant and transfer in the seeking to fill two parely constant and transfer in the seeking to fill two parely constant and transfer in the seeking to fill the parely constant and the seeking to fill of Fidelity International is seeking to fill two newly created and Important positions, both at senior managerial level. Although the work involved in both positions will concentrate initially in Hong Kong, it is envisaged that both persons will have important Asian regional responsibilities in due course.

MANAGER - OPERATIONS & ADMINISTRATION

The successful candidate will have daily operating management responsibility for the following:

Overseeing all investment services, particularly securities

 Providing administrative support for the investment and marketing professionals Liaising with and supporting Fidelity's International administrative offices particularly in Bermuda and the UK
 Ensuring ongoing development and documentation of

business systems and procedures

You must have a record of proven managerial skills and be capable of performing in a dynamic, growing financial environment. With a degree from a recognised university, preferably in business or accounting, you must have spent a minimum of five years in the investment, banking or accounting industries, or have demonstrable relevant

MANAGER - INSTITUTIONAL MARKETING (Asia Pacific Region)

The successful candidate will be directly responsible for

 Managing communications with our institutional clients
 Marketing Fidelity's services to institutional investors · Co-ordinating legal and administrative aspects of our institutional business

Assisting in new product development regionally

You must be mature and articulate with a thorough understanding of cultural differences and business structures in the region. A good communicator, well presented and with the ability to inspire confidence, you should be able to demonstrate a good writing style and be familiar with the major developments in international investment in recent years. Proven sales ability is required and prior experience in investment management research positions would be a strong advantage.

Candidates for both positions should consider that the posts offered are intended to be long term career opportunities in Fidelity's growth in Asia, and suitable only for persons with considerable initiative and who are prepared to work in an environment which is subject to minimal supervision. On the successful completion of both assignments (projected to be up to five years in the region) the successful candidates could, if they wish, relocate in one of Fidelity International's eleven other offices around the world.

As both positions will ultimately require considerable regional responsibilities it would be desirable, although not essential, if the candidates were familiar with Chinese and/or Japanese languages. The rewards will reflect the importance of each of these posts; excellent salaries will be offered together with substantial bonuses (based on performance). Write with full career details and present salary to The Managing Director, Fidelity International, 22nd Floor Connaught Centre, 1 Connaught Place, Hong Kong.

BERMUDA-BOSTON-HONG KONG-JERSEY-LONDON-NEW YORK-SAN FRANCISCO-SYDNEY-TAIPB-TOKYO



President

Real estate

SENIOR FOREIGN EXCHANGE

AND MONEY MARKET ADVISOR

FRANKFURT

Our client, a Major US Bank with a global presence, has an exceptional opportunity for a Senior Foreign Exchange and Money Market Advisor to

The role will be to act in an advisory capacity to the existing clientele of International Central Banks and Government Financial Institutions. Working in unison with the Regional Director, the candidate should exhibit

In addition to a thorough knowledge of Foreign Exchange and Money Market Trading, the ideal candidate will already have experience in a similar environment, a sound educational background and fluency in English and

The bank will provide a salary commensurate with experience and results.

Please apply in strictest confidence quoting reference FR/2502 to:

New York

This leading property company is seeking a high-calibre executive for its real estate business in the

Reporting directly to the UK Managing Director and operating from the New York office, you will be responsible for the company's significant

join their well established operation in Frankfurt.

the flair and creativity to facilitate continued expansion.

current development programme and for spearheading the company's growth.

This challenging appointment presents an unusually stimulating opportunity for a highly experienced property professional who has had

PA Advertising

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previous profit responsibility and practical experience of the American market.

The remuneration package, geared to the company's results, will be attractive to top-level candidates and will include appropriate executive benefits and a comprehensive relocation package.

Please send full career details which will be

forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: R2171/FT.

Computer Professionals-Kuwait

One of the leading Banks in Kuwait is in the process of implementing a major bankwide automation strategy over the next two years in line with its continuing expansion and in order to support its future growth.

This strategy is based upon IBM 4981 mainframes and IBM 4700 financial terminals running under DOS/VSE-SP.

The Application Software is based upon well known International Bank Application packages. To support this project, the Bank's Management Information Services Division has available the following positions for experienced specialists.

Project Manager - Treasury (PMT)

implementation of new systems for the Treasury area including Dealing Room activi-Applicant must have a minimum of five years

To take responsibility for development and

in Data Processing in a Banking environment with at least two years as a Project Manager in one or more of the following areas:

- Foreign Exchange and Money Market
 Bonds and Securities
 Funds Transfer
- Front Office Dealing

- S.W.LF.T.

Project Manager - Retail (PMR) To take responsibility for development and implementation of new systems for the Retail Banking area including all Branch and ATM activities.

Applicant must have a minimum of five years experience in Data Processing with at least two years as a Project Manager in a similar project.

Experience in Retail Banking and IBM 4700 Financial Terminals is essential. Good knowledge in ATM - applications is preferrable.

Systems Analysts / Programmers (SA/P) To develop and implement new computerized systems in different business areas.

Applicant must have five years experience in Data Processing for financial Institutions using structured analysis and design techni-

Experience in an IBM environment using CICS, DL/1. COBOL & PL/1 languages is also needed.

Systems Programmer (SP)

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Several years experience in an IBM environment using DOS/VSE-SP together with working experience with DL/1 and CICS/VTAM/ NCP is essential.

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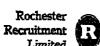
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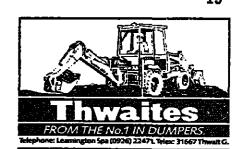
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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday February 25 1987



Litton to merge oilfield services with Dresser

LITTON Industries, the US electronics and industrial products group, announced yesterday that it Houston, which provides "wireline" was merging its oilfield services op-erations with the well-logging divi-sion of Dresser Industries, the ener-equally at first, but Litton, which is gy industry supplier.

The combined company, which

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will have revenues of \$550m and est move in a dramatic consolidation of the oilfield supply and service industries in response to the ments. collapse of exploration activity.

Geophysical Company, the leading and once highly profitable seismic exploration company, and will in-clude other Litton operations in-volved in well-core analysis and da-

These will be combined with services on offer which Litton de-Dresser's Atlas division, also in scribed as covering the "whole life-Houston, which provides "wireline" span of an oilfield."

providing a larger share of the assets, will be issued convertible preferred stock. On conversion of the stock, Litton will hold 66 per cent -70 per cent and consolidate the new

At present, the Litton businesses The company will be based in thousand around Litton's Western are profitable on a depressed sales base of about \$350m while Atlas is thought to be around break-even be dwarfed by Schlumberger, with er International are seeking the apoilfield revenues of \$5bn, and Halliburton (about \$2bn), Wall Street was impressed by the breadth of erations.

It's a smaller department store in competition with Schlumberger," said Mr Howard Rubel, an analyst at Cyrus J. Lawrence, the brokers. Mr Michard Gardner of Shearson Lehman said: "They may have stol-Last year, Schlumberger, which has an overhwelming share in the wireline market, paid \$94m for GECO, a Norwegian company, to gain access

to seismic technology.

Meanwhile, in the oil equipment business, Hughes Tool, the largest Although the new company will manufacturer of drill bits, and Bak-

BfG returns to an even keel following a year of turbulence

BY HAIG SIMONIAN IN FRANKFURT

end last November, when the Aachener and Muenchener, West Ger-many's fifth-largest insurance com-BfG's instalment credit business Moreover, BfG's controlling stake in the bank.

an even keel, according to Mr Wegs-cheider, with both staff morale and New corpograte acc client confidence restored to a high-

those the previous year, he said, with profits also affected by lower interest spreads and difficult trad-

BANK für Gemeinwirtschaft, the ow over its operating results. Ac-

The uncertainty only came to an creased by DM 1.3bn.

while some existing business cus-However, BfG's partial operating tomers shifted their accounts to profits in 1986 would be down from other banks, according to Mr Wegs-those the previous year, he said, cheider. Matters reached a nadir has since improved gradually, with

Though BfG's 1986 credit growth bank formerly controlled by West cording to preliminary figures, lagged behind other banks, new BfG's total assets fell by 0.6 per cent project lending, especially to mid-had a "very unusual and temporarity to DM 49.7bm (\$25.6bn) in 1986, dle-sized companies, was a "welly turbulent" year in 1986 owing to against DM 49.0bn the previous come exception," said Mr Wegs-

> to close the year at almost DM 5bn, Retail business picked up thanks breached the DM 5bn mark at the

Moreover, BfG's weak credit depany, which is 20 per cent owned by growing particularly strongly. But mand and strong deposit growth Britain's Royal Insurance, bought a the bank's corporate business suffered over the year because of in-funds. Mr Wegscheider emphasised Since then, BfG has returned to creasing speculation about a the achievement in bringing about change of ownership.

a "structural improvement" on the
New corpograte accounts almost bank's liabilities side at a time of dried up in the second half of 1986 massive "disruptive influences" last

BfG is compensating making up ground by selling its 25 per cent stake in Volksfuersorge, one of the last October, when loans to custom-ers sank to DM 24bn. The situation and almost 75 per cent of the Bank für Sparanlagen und Vermoegens-bildung as well as 5 per cent of the Allgemeinen Hypothekenbank.

The months of speculation about advances now DM 1bn above their BiG's future have cast a long shad- level at this time last year. Friedmann to head Air France

BY PAUL BETTS IN PARIS

Mr Friedmann, who has been described as one of Mr Chirac's eminodies.

Mr Friedmann, who is 54 years to be named as the head of a major state enterprise. Until recently, he was regarded as a leading candidate to become chairman of Electricite de France (EdF), the French state electricity utility, when its current chairman, Mr Marcel Boites.

State, one of une country s wp legal and domestic compension from arbidies. Mr Friedmann, who is 54 years line recently reported a 20 per cent decline in net earnings to FFr 580m nie Générale Maritime (CGM) shipping group between 1974 and 1982.

He was a close collaborator with Mr Chirac as well as with Mr Girac as well as wi teux, retires this year.

MR JAQUES FRIEDMANN, one of Mr Jaques Chirac, the French will replace Mr Marcean Long, the Prime Minister's closest advisers, is outgoing chairman who was named to take over as chairman of Air France, the French national airline.

Mr Friedmann who has been described as one of the country's top legal and denestic competition from airline faces growing international and denestic competition. The adversariation of the country's top legal and denestic competition from airline faces growing international and denestic competition.

with Mr Pierre Messmer, the right- be ratified by the French cabinet

Esab earnings fall by 26% in year

By Sara Webb in Stockholm

ESAB, the world's leading manufacturer of welding equipment, showed a 26 per cent fall in profits after financial items to SKr 150m (\$23m) compared with SKr 204m in 1985. Sales inched up 1 per cent to SKr

3.964bn in 1986 compared with SKr 3.926bn the previous year. Esah said that the market for welding equipment had weakened more than it had originally expect-ed at the end of 1985 because of the

fall in oil prices. The market for mechanised welding equipment and machine compo-

nents developed well and accounts for a large proportion of sales. However, the market for coated elec-trodes continued to fall.

SDP moped division

Piaggio agrees to buy

troubled vehicles and weapons be moved to Italy and marketed ungroup, is selling its moped and bicycle division to Piaggio of Italy, a
manufacturer of scooters and member company of the First Crown.

STEYR-Daimler-Puch, Austria's duction of mopeds and bicycles will

ber company of the Fiat Group.

Mr Juergen Stockmar, a director on Steyr's managing board, said that the sale to the Italian company had been agreed and that the deal wision have accounted for about half the group's cumulative losses would be signed in the next form had been agreed and that the deal would be signed in the next few of about Sch 6bn since the middays. The sale price has not been 1970s. Group losses for 1986 are excised but is understood to be proceed to be higher than the originally expected Sch 700m and reach about Sch 900m.

Plaggio will acquire the machinary from Steyr's plant in Graz and the design for a new moped engine with catalytic converters. The prosiderable restructuring

Notice to Bondholders of

Aida Engineering, Ltd.

U.S.\$20,000,000 5¼ per cent. Convertible Bonds due 1996

Pursuant to the Trust Deeds dated as of September 10, 1981, under which the above mentioned Bonds were issued, a notice is hereby given as follows:

- 1. On February 10, 1987 the Board of Directors of Aida Engineering, Ltd. resolved to make a free distribution of shares of its common stock to shareholders of record as of March 25, 1987 in Japan, at the rate of one (1) new share for each twenty (20) shares held.
- 2. Accordingly, the conversion price of the above mentioned Bonds will be adjusted effective immediately after such record date. The conversion price in effect before such adjustment is Yen 554.10 for the 5½ per cent. Convertible Bonds due 1996, and the adjusted conversion price will be

February 25, 1987

2-10, Ohyama-cho, Sagamihara City, Kansgawa, Japan

Elliott sees brewing as key to strategy

By Lisa Wood in London

MR JOHN ELLIOTT, chairman and chief executive of Elders IXI, the Australian brewing, financial services and pastoral group, yesterday refused to be drawn on the future strategic palance of his business.

"Brewing, that is where the op-portunities lie at the present," Mr Elliott sald in London where he was announcing the detail of his proposed acquisition of the 50.1 per cent stake in Carling O'Keefe, the Canadian brewer. held by the Canadian arm of ns International, the British-based tobacco group.

The purchase of 10.9m shares

in Carling O'Keele is the first part of a cash bid which will be made by Elders for the whole of Carling not later than March 25 1987 at a price of C\$18 a share, a deal valuing Carling at US\$193m. The deal is unconditional, subject to Canadian regulatory ap-

Carling O'Keefe, with around 24 per cent of the Canadian beer market, is Canada's third-largest brewer. Since last year it has brewed Elders' Foster's lager, a brand which Mr Elliott hopes to establish as a so-called global brand in the mould of Heineker and to a lesser extent, Budweis er, the Anhenser Busch brand. This time last year Eders brewed its lager only in Australia at its Carlton and United Brew-

Today, with the acquisition of Carling O'Keefe, it has produc-tion bases for its Foster's brand

on three continents: Australia,

More international company news on Page 35

Europe - with the \$1.4km acquisi-tion last August of Courage, the UK brewer - and North America. The development of a world-wide brewing business may not be Mr Elliott's single ambition. Last April Elders emerged as a third party in the long-running Australian battle between Bro-ken Hill Proprietary, the mining group, and Mr Robert Holmes a Court's Bell Resources.

Kiders took a 20 per cent stake in BHP, scuppering Bell's hopes of gaining control and prompting BHP to take a reciprocal holding in Elders in a move which considerably strengthened Elders' fi-

The three companies subsequently came to an agreement giving both Mr Holmes à Court and Mr Elliott seats on the BHP

an A\$860m (US\$573m) rights issue, a move which with two convertible bonds issues increased Elders' equity to a point where it could borrow enough to buy

Mr Elliott yesterday declined to comment on his future acqui-sition strategy but said: "We are in a position to borrow the funds

to purchase BHP."

As to rumours that he had built up a stake in Guinness, the troubled UK alcoholic beverages

group, he said: "I never common speculation." Last month his fast-growing group reported record interim after tax profits of A\$148.7m for the six months to December, more than 2½ times as the

A\$57.3m for the same period in On the Carling acquisition he said: "An important part of our global brewing strategy is to have a significent brewing operation in the Americas."

Carling was emerging from its difficulties and was being acquired at a time when it appeared as if the Canadian market was being de-regulated. At present beers sold in a province have to be knowned there.

to be brewed there.
The US market for Foster's lager would not be serviced from Canada because market research

showed that as a premium-priced imported beer in the US it had to be brewed in Australia. Courage would be enlarged to service exports of Foster's to Europe.
Last year Carling O'Keele,
with a Beamish stout brewery in

Ireland, sold the rights to its Carling Black Label brand in the UK and Europe to Bass, Britain's "We would have preferred to have got hold of it," Mr Elliott said, "but we did not know they

Carling O'Keefe's pre-tax profits in 1984 were C\$87.6m, tum-

current financial year they rose Lex, Page 18

A brush with purgatory at KHD

AT 66 and approaching retirement, Mr Bodo Liebe is having an uncomfortably close brush with whatever passes in West Germany for corporate purgatory.

He is chairman of Kloeckner Humboldt Deutz (KHD), the coun-try's biggest diesel engine and farm equipment group, which yesterday published gloomy sales and order figures for last year. Total group turnover fell 11 per cent to DM 4.9bn (\$2.67bn).

In the parent company, turnover fell 7 per cent overall to DM 3.26bn. Incoming orders were down 18 per year were 23 per cent lower than a Blaming the strength of the D-Mark for a dramatic downturn in

the export of its high volume products, KHD revealed that foreign orders had fallen 25 per cent against Diesel engine sales, KHD said in letter to shareholders, were down 12 per cent. Incoming orders fell 16 per cent. The agricultural machinery division has been badly hurt by the worldwide farming crisis and, again, the strong D-Mark. For the first line, KHD also had to made first line in the domestic traced.

first place in the domestic tractor

sion whose fortunes can be quickly

market to Fendt, a competitor littleknown outside West Germany. Only in industrial plant, a divi-

swung by a single big order, did KHD may be coming under seri-

ous currency pressure, yet it is also reaping the rather dubious rewards of a deliberate attempt over the past four or five years to concen-trate on what it thought to be its

traditional strengths.
Scoffing at diversification, Mr Liebe has gone out of his way to seek out acquisitions that comple-ment, rather than supplement, KHD's diesel and farm equipment

The strategy has not yet worked. The more diesel engine or agricultural equipment capacity that KHD has bought, the bigger and more widespread its difficulties seem to

In 1979 KHD bought an old engine plant in Indiana from American Motors. The idea was to use the plant to assemble engines imported from Germany. At the same time, KHD engineers in Canada had developed what they thought would be a certain winner for the US - an eight-cylinder, air-cooled commer-

Both ideas were expensive and proved disappointing. American (MWM), began to break up over a

KLÖCKNER-HUMBOLDT-DEUTZ (parent company) 1981 1982 1983 1984 1985

Turnover (m DM) mpany net profit (m DM)

Peter Bruce on the problems facing Germany's biggest farm equipment group

water-cooled diesels, and KHD At the same time, a new opportunity arose to try the American mar-ket, this time through relieving Allis-Chalmers of its loss-making agricultural equipment group and an at-tractive sales and financing network. The point of the acquisition, Mr Liebe declared in 1935, was to increase capacity in its German fac-

customers did not trust air-cooled cultural machinery producers scramble to keep their places in a diesels. KHD lost money, though it had the opportunity to cushion it-self with approximately DM 800m it took after selling its remaining There is talk now at KHD of distake in Iveco to Fiat in 1982.

Mr Liebe, not put off in the US, began to think about adding the also rumoured to be expecting betmore traditional water-cooled diesel to the KHD range. A perfect oppor-tunity came in 1985, when Knorr-Bremse, the Bavarian locomotive brake group which also owned the

ter things this year of the company than it did last year. Rationalising and streamlining of the divisions, begun last year, is expected to continue. More jobs will also be lost this year. Most of the DM 600m Iveco "cushion" remains intact. despite his advancing years, re-

tories by effectively buying market

share in the US.

But neither the MWM nor the

Deutz Allis acquisition has yet paid

off. KHD yesterday spoke of a "rui-

nous" price war in the US, as agri-

shrinking market, MWM barely

versification. The stock market is

mains very much in control. Given that the mistakes of the past few years are his at least as much as 911 3,918 3,767 4,613 3,506 anyone else's he may be happy to 37.1 49.8 52.4 57.7 57.2 stay around for a few more years to

Security Pacific agrees Rainier takeover

ny, has taken a further step in its poration of Seattle in an all-share deal worth about Sibn.

Each of Rainier's 20.9m shares will be swapped for 1.3 Security Pa-cific shares. Prices of both stocks fell in early trading yesterday, with

Rainier's shares had jumped \$5% rapid regional expansion with an agreed takeover of Rainier Banco- on Monday when it announced it was being courted by two out-ofstate banks. The other suitor was believed to have been First Bank System of Minneapolis.

Both Security Pacific and Rainier have been on the acquisition trail as

several small banks in Washington regional banking organisations. It and Oregon while Security Pacific reported net income of \$386m in has moved as far afield as Nevada

and Arizona.

SECURITY PACIFIC, the Los Security Pacific losing \$2% to \$38

Angeles-based bank holding company, has taken a further step in its

Security Pacific losing \$2% to \$38 laws allowing inter-state banking sidiary. Extensive capital market mergers bave come into effect in reand financial service operations cent years. Rainier has bought make it somewhat unusual among

1986 and assets of \$62.6m Rainier's principal unit, Rainier The Los Angeles group is the sixth-largest bank holding company in the US, with Security Pacific Nathe end of 1986. Net profits rose 7 tional Bank its main operating sub- per cent last year to \$70m.

NEW ISSUE

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FEBRUARY, 1987



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bling to C\$18.7m in 1985 and C\$5.7m in 1986. In the first six months of the

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	At December 31	
Assets	1986	1985
Cash and due from banks	\$ 4727	\$ 4381
Interest-bearing deposits with banks	9 679	7 073
Investment securities (market value: \$12 868 in 1986		
and \$10 347 in 1985).	12 063	9918
Net loans and lease financing	31 532	34 307
Customers' acceptance liability	1 3 4 8	1641
Other assets	<u>8514</u>	<u>8 451</u>
Total assets	67 863	65 771
Liabilities		
Total deposits	44 781	41 332
Federal funds purchased and securities sold		
under agreements to repurchase	8 504	<i>9 3</i> 68
Other liabilities for borrowed money	4 980	6041
Liability on acceptances	1 350	1 641
Long-term debt, excluding subordinated notes	_	_
constituting primary capital	1 258	630
Other liabilities	2 603	2837
Subordinated notes payable to J.P. Morgan & Co.	2000	2001
Incorporated constituting primary capital	450	450
mentionated community brings is a sure	700	200
Stockholder's equity		
	2027	9 170
Total stockholder's equity	<u>3 937</u>	<u>3 472</u>
Total liabilities and stockholder's equity	67 863	65 771

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25th February, 1987

CREDITANSTALT-BANKVEREIN (the " issuer")

NOTICE to the holders of

U\$\$100,000,000

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NOTICE IS HEREBY GIVEN to the holders of the above Bonds, that in accordance with Condition 5 of the Bonds the Issuer has appointed Creditanstalt-Bankverein, A-1011 Vienna, Schottengasse 6, P.O.B. 72 as an additional Paying Agent for the said issue with immediate effect. The Trustee has approved this appointment in accordance with the Terms and Conditions of the Bonds.

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In accordance with the provisions of the above Certificates, notice is hereby given that for the six months from 23rd February 1987 to 21st August 1987, the Certificates of Deposit will carry an interest rate of

The interest payable on each U.S.\$250,000 Certificate on the relevant unueres U.S.\$8,701.39

INTL. COMPANIES AND FINANCE

President of Groupe **Bruxelles** Lambert

to resign

By William Dawkins in Brussels BARON LEON LAMBERT is to resign as president of Groupe Brux-elles Lambert, Belgium's second-largest financial and industrial holding company, according to banking officials.

The resignation - for personal reasons - is to be announced at the next shareholders' meeting in May. Baron Lambert, 58, a collector of modern art, holds a non-executive position on the six-man board. The management of the group is in the hands of Mr Albert Frère, the Bel-gian industrialist, and Mr Gerard Eskenazi of France.

The Lambert family will retain its 5 per cent shareholding in GBL and the 3 per cent it holds in Pargesa, the Swiss holding company which forms the second pillar of the fast-growing financial and industri-al group headed by Mr Frère and Mr Eskenazi.

The group's fortunes declined steeply after the Second World War until Baron Lambert relaunched board 10 years later.

Spanish bank problems 'solved'

BY DAYID WHITE IN MADRID

BANCO Espanol de Credito (Banesto), the bank with the largest branch network in Spain, yesterday reassured shareholders that it had overcome difficulties within the group that caused it to set aside all of its earnings for last year.

Pre-tax 1986 profits were zero compared with Pia 22.55bn (\$175m) in 1985. This was despite a 45 per cent increase in the bank's cash flow to Pta 84.9bn, stemming mainly from extraordinary gains which

AT AN

Pan Am 'not AMR target'

said it was "not interested" in mak-ing an offer to acquire Pan Ameri-

ing an oner to sequire Pan American World Airways, AP-DJ reports from Dallas.

Although American Airlines never confirmed rumours that it was considering buying Pan Am, those rumours have continued to

An American Airlines spokesman said AMR was making the au-nouncement because Mr Robert Crandall, chairman and chief executive, was about to begin holding

annual employee conferences and wanted to "clear the air." In January sources said talks be-tween AMR and Pan Am had been the company in 1972 by arranging a going on for a few weeks. The merger with two other Belgian financial institutions, Brufina and Cofinindus. Mr Frère joined the agreement between the two carri**Notice of Redemption**

US \$20,000,000



The Sanwa Bank, Limited

Callable Negotiable Floating Rate Dollar Certificates of Deposit Due 11th April, 1988

Notice is hereby given that, in accordance with Clause 3 of the Certificates, the Issuer will exercise the Call Option and redeem all the outstanding Certificates at their principal amount on 9th April, 1987 when interest on the Certificates will cease to accrue.

Repayment of principal together with accrued interest will be made upon presentation of the Certificates at the London offices of the Issuer on 9th April, 1987.

Credit Suisse First Boston Limited

Agent Bank



US \$100,000,000 Floating Rate Notes 2001

Holders of Floating Rate Notes of the above issue are hereby notified that for the interest period from February 26, 1987 to August 26, 1987 the following

1. Applicable

61/1/2% per annum Interest Rate: 2. Interest payable on next interest

Payment Date: US \$345,66 per US \$10,000.00 nominal or US \$8,641.49 per US \$250,000.00 nominal

3. Next Interest Payment Date:

February 24, 1987

August 26, 1987 **BA Asia Limited** Reference Agent

£85,000,000



BANQUE INDOSUEZ Floating Rate Notes Due 1991

1013/16% per annum Interest Rate

Interest Period

23rd February 1967 26th May 1987

Interest Amount per £5,000 Note due £136.27

Credit Suisse First Boston Limited

This announcement appears as a matter of record only.

February, 1987



ITOMAN & CO., LTD.

U.S.\$100,000,000

31/2 per cent. Guaranteed Bonds due 1992

with

Warrants

to subscribe for shares of common stock of Itoman & Co., Ltd. The Bonds will be unconditionally and irrevocably guaranteed by

The Sumitomo Bank, Limited

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

Sumitomo Finance International

Bank of Tokyo International Limited Banque Nationale de Paris **Credit Suisse First Boston Limited** Dresdner Bank Aktiengeselischaft Fuji International Finance Limited Goldman Sachs International Corp. Meiko Securities (H.K.) Limited J. Henry Schroder Wagg & Co. Limited Société Générale Universal (U.K.) Limited

Banque Paribas Capital Markets Limited DG BANK Deutsche Genossenschaftsbank KOKUSAI Europe Limited Marusan Europe Limited

Yamaichi International (Europe) Limited

Morgan Grenfell & Co. Limited Prudential Bache Securities International Swiss Bank Corporation International Limited Wako International (Europe) Limited

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Banque Bruxelles Lambert S.A. Crédit Lyonnais

Nomura International Limited

Robert Fleming & Co. Limited

LTCB International Limited

Morgan Stanley International

Deutsche Bank Capital Markets Limited

Shearson Lehman Brothers International

Symitomo Trust International Limited

Genossenchaftliche Zentralbank AG

Banca del Gottardo Banque Indosuez

CIBC Limited

IBJ International Limited

S. G. Warburg Securities

Orion Royal Bank Limited Saitama Bank (Europe) S.A.

Union Bank of Switzerland (Securities) Limited

Lloyds Merchant Bank Limited Mitsubishi Finance International Limited

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INTL. COMPANIES and FINANCE

Jardine in final stages of shake-up

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Established

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aliani Limini Europe Little

11, 1938

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JARDINE MATHESON HOLDINGS (JMH). Hong Kong's cent interest in JSH via another oldest frading house, yesterday properly interest on JSH via another wholders. These moves will concentrate reorganisation, which Mr Simon Keswick, the chairman, says will create a "corporate structure of classic simplicity."

The key components of the latest manoeuvres are the flotation of Mandarin Oriental Hotels out of Hongkong Land via a HK\$2.50m (US\$96.2m) rights issue, and a HK\$2.58th the group's new holding Company.

That will enable JSH to acquire JMH; remaining 10.7 per cent of Mandarin 10.7 per cent of Mandarin 10.7 per cent holding in HK Land, as possible to acquire JMH; remaining 10.7 per cent holding in HK Land, as possible to hold the stand and the stand of the group's new holding company.

That will enable JSH to acquire JMH; remaining 10.7 per cent holding in HK Land, as possible to hold the stand of the group in the manages and invests in Dairy Farm, the food retailing in JSH, via another when Mandarin is listed in JMH, which will hold some 35 thresholdings in JSH, which will hold some 35 the said shareholder, JSH also take a 20 per cent in HK Land shareholder, JSH also take a 20 per cent in HK Land shareholder, JSH also take a 20 per cent in HK Land shareholder, JSH also take a 20 per cent in HK Land shareholder, JSH also take a 20 per cent in HK Land shareholder, JSH also take a 20 per cent in HK Land shareholder, JSH also take a murket price.

JMH is realising HK\$1.6m draises about HK\$900m. SsH will uncent take a murket price.

JMH is realising HK\$1.6m draises about HK\$900m. SsH will also take a 20 per cent in Land shareholder, JSH also take a murket price under an agreed option. As a fixely for another 20.6 per cent for acquire 14.9 per cent for the per cent in HK\$1.4m draises about HK\$900m. SsH will an acquire 14.9 per cent for the property merket or the property company.

That will enable JSH to acquire JHME JAH will interest on 15 the property cent of the property merket price.

JME JHME IN HAM IN JAH SH Land

Row over San Miguel HK move

SAN MIGUEL, the Philippines' San Miguel shares in favour of largest industrial company, is under increasing pressure to explain the proposed sale of its Hong Kong brewing subsidiary on Good Government (PCGG) last April, set in train in order to finance the intended buyback of about one-third of its own shares.

Government officials suspect the appropriate of the proposed buyback of the proposed sale of its own Good Government (PCGG) through last April, San Miguel the proposed sale of its the body searching for wealth through last April, San Miguel the body searching for wealth the body searching for wealth the body searching for wealth through last April, San Miguel accumulated by former President.

San Miguel shares in favour of into the hands of predators hostile to Mr Soriano's management team, bankers said.

Before the share buyback fell through last April, San Miguel accumulated by former President.

San Miguel shares in favour of into the hands of predators ment team, bankers said.

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San Miguel shares in favour of into the hostile to Mr Soriano's management team, bankers said.

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San Miguel shares in favour of into the hostile to Mr Soriano's management team, bankers said.

Before the share buyback fell through last April, San Miguel accumulated by former President.

the proposed buyback of the 33.1m shares that are currently sequestered by a government

Record sales

and profits

for Sapporo

By Yoko Shibata in Tokyo

The improvement was attri-

buted to lower material costs,

result, turnover rose 8 per cent

SAN MIGUEL, the Philippines' San Miguel shares in favour of into the hands of predators

Government officials suspect because it suspected the sale proposed buyback of the proceeds would go to a Marcos 3.1m shares that are currently "crony" businessman.

In his letter to the PCGG, Mr In the latest of a flurry of Mr del Rosario apologised to Mr

tion and partly guaranteed by Mr Soriano,

The PCGG is now also quesagency was an attempt to Ongpin denied a suggestion tioning how Neptunia's \$25m increase the management's made by Mr Ramon del Rosario, was absorbed on to the San voting strength by selling off San Miguel's chairman that the minister had approved the deal. Meanwhile, the United Coco-

In the latest of a littry of mr del Rosario apologised to an entry of mr del Rosario apologist to an entry of the deal.

Meanwhile, the United Coccuration and Planters Bank (Cocobank), which is administering the sequestered shares, is andrinstering the PCGC's decision on whether it can sell 18.7m San Miguel apologist to application applicati approval. He also recom- has sequestered more than half tions from companies formerly mended board approval of the the company's shares, and this controlled by a "crony" of Mr management's plan to vote the stake, if disposed of, could fall Marcos.

Confidence returns to Indian stock markets

BY R. C. MURTHY IN BOMBAY INDIA's stock markets are re-raining confidence after a pro-longed correction phase. Share strictions on trading have been values have gained somewhat lifted indicating the stock mar-SAPPORO BREWERIES of despite two-way movements re-flecting uncertainties over the Japan has achieved record sales and earnings for the third consecutive year, with pre-tax profits of Y12.4bn (\$80.7m) for 1986, up 16 per government budget to be pre-

sented on Saturday. Unlike the budget-eve Mr Rajiv Gandhi, the Prime euphoria of the past two years Minister, now in charge of

a reduced interest payment burden and effective manage-ment of surplus funds.

kets are in a healthier state than before.

A sense of expectation pre-

vails on the stock markets as -when stock prices soared, finance, will present the budget forcing market authorities to impose restrictions on trading institutional buying has been Mr Gandhi's recent remarks that the budget with cautious optimism urden and effective management of surplus funds.

A revival in the popularity of beer lifted beer sales 9 per lindia's main business news- rationalise the tax system to dynamism

Singapore insurer well ahead

BY STEVEN BUTLER IN SINGAPORE

The reduction in electricity rates also helped to cut costs. Net profits of Y4.73bn were up 5 per cent. Support intends to increase its annual dividend to Y6.50 per share by adding a commemorative dividend of Y1.50, although this will not be repeated for 1987.

Solven Builler in Singapore

Insurance Corporation of to \$\$32.1m.

The gains underscores Singapore has reported a feter tax group profits to \$\$17m an insurance market. The company attributed the growth in reported a 64.7 per cent rise in general insurance premiums to income and improved profits \$\$\$158.8m, and a 20.4 per cent from its reinsurance subsidiary, rise in life insurance premiums. rise in life insurance premiums ICS Reinsurance.

NOTICE OF FINAL REDEMPTION TO THE HOLDERS OF

CANADIAN PACIFIC LIMITED

US\$50,000,000 93/4% Collateral Trust Bonds due 1989 (the Bonds)

NOTICE IS HEREBY GIVEN that in accordance with Condition 3(b) of the Terms and Conditions of the Bonds Canadian Pacific Limited intends to redeem and hereby calls for redemption on 31st March, 1987 all of its 94% Collateral Trust Bonds due 1989, of which US\$41,250,000 principal amount are outstanding at the date hereof, at the redemption price of 1001/2% of the principal amount (US\$1,005.00 per Bond) together with accrued interest from 15th May, 1986 to, but excluding, 31st March, 1987 (US\$85.3125 per Bond) for a total redemption price of US\$1,090.3125 per Bond.

Payment of the Redemption price will be made upon presentment and surrender of the Bonds and all unmatured coupons appertaining thereto at any of the Paying Agents listed below. The face amount of any missing unmatured coupons (US\$97.50 per coupon) will be deducted from the redemption price.

Interest will cease to accrue on the Bonds from and after 31st March, 1987.

PAYING AGENTS

Orion Royal Bank Limited. 1 London Wall, London EC2Y 5JX (Principal Paying and Fiscal Agent)

Commerzbank AG.

D-6000 Frankfurt/Main, W. Germany

1016 BS Amsterdam

47 Boulevard Royal,

The Netherlands

Neue Mainzer Strasse 32-36,

Pierson, Heldring & Pierson N.V., Herengracht 214,

se Manhattan Bank Luxembourg S.A.,

Bank of Montreal Trust Company, 2 Wall Street. New York, N.Y. 10005

Morgan Guaranty Trust Company of New York

B 1040 Brussels, Belgium Chase Manhatten Bank. Switzerland

Genferstresse 24, 8027 Zurich, Switzerland

DATED: LONDON, 25th February, 1987 Canadian Pacific Limited

ORION ROYAL BANK LIMITED

retain Channel Ten minority By Our Financial Staff

Murdoch to

Mr Rupert Murdoch's News Corporation, which sold its Australian television interests earlier this month its order to consolidate its newspaper presence there, is to retain a minority stake in his divested broadcasting outlets, it emerged yesterday.

It will buy 15 per cent of the still unnamed operator of the Channel Ten stations in Sydney and Melbourne from Northern Star Holdings, their new owner. Northern Star will also inject two New South Wales local stations into the

The price was earlier indicated by Northern Star at A\$130m (US\$86.8m). Twen-tieth Century Fox, Mr Murdoch's US film group, will "enjoy a close association" with the network.

Green Island to buy China Cement

Green Island Cement, a Hong Kong company controlled by Mr Ll Kashing's Cheung Kong, is to take over the Peking-linked China Cement in an all-share deal valued at some HK\$285m (US\$36.54m), Our Financial Staff writes.

A proposed scheme of arrangement will create a new overall company, Green Island (Holdings), which will be owned 42.9 per cent by Cheung Kong and 17.6 per cent by Brummen, China Cement's parent which is related to the Bank of China

Australian bank postpones scrip

NATIONAL AUSTRALIA Bank has been led by tax problems to recommend that shareholders vote against the previously announced onefor-five scrip issue at an extraordinary meeting tomorrow, Reuter reports from

The bank will hold another meeting on April 23 after revising the proposal. The original plan could have resulted in shareholders receiving assessable income

Taiwan airline ends long run of losses

CHINA AIRLINES. Taiwan's flag carrier, earned about US\$17m on turnover of \$666m in 1986, the first profit after six consecutive years of losses, Reuter reports from

The compares with a loss of \$8.05m on sales of \$553m in 1985, The company attributed the better performance to lower oil prices and improved



US\$30,000,000 KÖREA FIRST BANK FLOATING RATE NOTES DUE 1989

Notice is hereby given in accordance with Condition S(c) of the Terms and Conditions of the Notes, that all outstanding Notes will be redeemed at their principal amount on March 31. 1987 when interest on the Notes will case to accrue. Payment of principal angether with payment of interest in respect of coupon No. 11 will be made in accordance with Condition 6 of the Terms and Conditions of the Notes, at the offices of any of the Paying Agents
who continue to be listed in the Terms
and Conditions of the Notes.

WOOLWICH **EQUITABLE** BUILDING SOCIETY

Due 1995

conditions of the Notes, notice is hereby given that for the three months Interest Period from (and including) 19th February, 1987 to (but excluding) 19th May, 1987, the Notes will curry a rate of interest of 10% per cent. per annum. The relevant Interest Payment Date will be 19th May, 1987. The Coupon Amount per £10,000 will be £259 08, poyable against surrander of Coupon No: 5

and the state of t

INVESTMENTS IN GERMANY

If your investment strategy includes multimarket diversification of assets, West Germany should rank high on your list of priorities. An increasing number of cross-border investors - both institutional and private - are profiting from this market of expanding international

nd more and more investors are benefiting from the sound advice and A investment skills of Bayerische Hypotheken- und Wechsel-Bank, Germany's oldest publicly-quoted bank - founded in 1835 - and one of its leading issuing houses. It participates in numerous syndicates, and is a securities dealer on all of Germany's important stock exchanges - trading in both stocks and bonds.

Typo-Bank's research capacity is extensive, and stems from its intimate knowledge of German corporations, especially in dynamic Southern Germany. Expert teams of researchers, securities analysts, economists and portfolio managers pool their long experience and market knowhow to provide domestic and international clients with the finest in performanceoriented investment decision-making.

To find out how you can benefit now from the investment opportunities L in West Germany, just contact one of our two specialized teams of professionals:

INSTITUTIONAL INVESTMENT SERVICES Peter Strubreiter

Tel.: (89) 2366-8614

PORTFOLIO MANAGEMENT SERVICES HOLGER DESCH Tel.: (89) 2366-8558

MODERN BANKING IN THE FINEST ROYAL TRADITION



HYPO-BANK, Bayerische Hypotheken- und Werhsel-Bank AG, Theatinerstrasse 11, D-8000 Munich 2

This advertisement complies with the requirements of the Council of The Stock Exchange.



Republic of Finland

£100,000,000 101% per cent. Bonds 1997

Issue Price: 100% per cent.

The following have agreed to subscribe or procure subscribers for the Bonds:

Samuel Montagu & Co. Limited Chase Investment Bank Limited

Bank of Tokyo International Limited Banque Nationale de Paris

Dresdner Bank Aktiengesellschaft Generale Bank

Hill Samuel & Co. Limited Kansallis-Osake-Pankki Morgan Grenfell & Co. Limited **Nomura International Limited**

Saudi International Bank Union Bank of Finland Ltd

Westdeutsche Landesbank Girozentrale

Baring Brothers & Co., Limited S.G. Warburg Securities

Banque Bruxelles Lambert S.A. Credit Suisse First Boston Limited **EBC Amro Bank Limited Hambros Bank Limited** IBJ International Limited Kleinwort Benson Limited **Morgan Guaranty Ltd** Postipankki, Helsinki

J. Henry Schroder Wagg & Co. Limited Union Bank of Switzerland (Securities) Limited Yamaichi International (Europe) Limited

Application has been made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") for the Bonds to be admitted to the Official

Interest is payable annually in arrear on 5th March in each year, commencing on 5th March, 1988. Particulars relating to the Bonds and the Republic of Finland are available in The Extel Statistical Service and copies of the particulars may be obtained during usual business hours up to and including 27th February, 1987 from the Company Announcements Office of The Stock Exchange and, up to and including 11th March, 1987 from the addresses shown below:

Samuel Montagu & Co. Limited, 114 Old Broad Street, London EC2P 2HY

Greenwell Montagu Securities, Bow Bells House, Bread Street, London EC4M 9EL

25th February, 1987

Frankfurt blames job hoppers on foreigners, Haig Simonian reports

Head-hunters stalk German banks

people does not sound like something to cause a major stir. But in the much tighter and more traditional Frankfurt market, such "block trades in personnel" are still virtually unheard of.

Admittedly the arrival of a companie community is small compared with other international their money increasingly hard to resist. West German banks' mixed feelings about job hopping. "Manufacturers Hanover has set new rules in the Frankfurt market," said Mr Friedrich German bank for a competitor.

Admittedly, the arrival of a market," said Mr Friedrich large number of foreign investment banks in the past 18 frankfurt board, ruefully.

Menzel, a member of Citicorp's lin a market where quality staff are exceedingly hard to find, months has caused some poach.

Traditionally, youngsters join even high West German principles. months has caused some poach-

two.

So the news last week that four senior securities people were quitting Citicorp in Frankfurt to join the investment banking operation being set up by Manufacturers Hanover has kept tongues wagging.

In a city which is only slowly corporate ladder according to a corporate ladder according to a time-honoured pattern. For the worth incurring its displeasure, whatever the short-term advantage whatever the short-term advantage.

Though regular the worth incurring its displeasure, whatever the short-term advantage whatever the short-term advantage.

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months has caused some poaching of staff. The Swiss, in particular, have claimed to offer the perfect match between continental European work practices and job security and Anglo-Saxon pay-packets.

Seldom, though, has more than one individual changed banks, and never more than one individual changed banks, and never more than two.

So the news last week that four senior securities people were quitting Citicarp in Frankfurt to join the investment banking operation being a financial institution from university and stay. Many have already had a spell of in-service training at a bank as part of their academic course. The brightest are often employed.

Threaditionally, youngsters join a financial institution from university and stay. Many have already had a spell of in-service training at a bank as part of their academic course. The brightest are often employed.

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Threaditionally, youngsters join a financial institution from university and stay.

JOB SWITCHING between getting to grips with deregulate to DM 70,000 (\$88,250) a year commercial banks the world securities houses by just four tion, and where the banking are finding the attractions of over as they try to break into people does not sound like community is small compared foreign firms offering to double investment banking.

ciples are having to bend.

As a result, the steady inflow of foreign banks to Frankfurt has turned local headhunting into a fine art. Rule number one used to be never to touch Deutsche Bank. West Germany's premier financial institution was felt to be so powerful that few thought it worth incurring its displeasure,

It may be that West Ger-

many's much-vaunted universal banking system is showing itself particularly vulnerable in this respect. Arch-conservative managements and a long tradition of rigid pay scales have left the universal banks increasingly exposed to staff losses. Even Deutsche Bank is said to be feeling the pinch.

Splitting off investment bank-ing into a separate operation is one idea said to be under consideration by West German banks. Paying investment ban-kers special bonuses on top of the normal bank-wide salary scale is another.

worth incurring its displeasure, whatever the short-term advanage. and best young bankers, as seen
Dresdner and Commerzbank in London and New York, will —the next two in the rankings never catch on in West Germany —were seen as fair game, howeven much greater staff mobility is one innovation not everyone in the country's capital market

Paribas and BCI plan merchant bank

BY ALAN FRIEDMAN IN MILAN

PARIBAS OF France and weekend of Fincomit, a strictly change controls are relaxed, which BCI is the largest.

Banca Commerciale Italiana domestic investment banking particularly with regard to George Graham in Paris adds:

(BCI), Italy's second biggest subsidiary of BCI, is the first investment outside the country, Participation in the new Italian bank, are planning a joint large-scale venture by an Italian venture merchant bank to institution since an inter-

a broader European role would be sought.

venture merchant bank to operate both in Italy and on the European market.

A BCI executive in Milan said yesterday that the new Franco-Italian merchant bank would have an inlitial capital of L100bn (\$77m). The venture's shareholding structure has not yet been decided.

Paribas and BCI were also considering inviting British and West German institutions to become investors, he said.

The new merchant bank, which follows the formation last

merchant bank is the first large operation for Paribas since its

Fecsa negotiates Pta 18bn funds injection

FUERZAS ELECTRICAS de come from special provisions redistribution of market shares. The institutions involved incosts and lengthening maturisties, were likely to begin followed by the Government allowed by the Government last year, come on top of a library from other power companies to help smooth the way for a financial recovery programme, writes David White in Madrid The funds, which are to the special provisions redistribution of market shares. The institutions involved incosts and lengthening maturiculated the Spanish affiliate of allowed by the Government national Westminster Bank.

The first injections are designed to enable Fecsa to meet interest payments on bonds which fall due shortly.

A Fecsa official said that the end of last year amounted to Pta 574bn (\$4.46bn), the official said.

New Issue

These Notes having been sold. incement appears as a matter of record only.

February, 1987



Société Nationale des Chemins de fer Belges (SNCB)/ Nationale Maatschappij der Belgische Spoorwegen (NMBS)

> Canadian \$90,000,000 83/8% Notes Due 1992

> > Guaranteed by

The Kingdom of Belgium

Issue Price 101% per cent.

LTCB International Limited

McLeod Young Weir International

Kidder, Peabody International Limited

Cosmo Securities (Europe) Limited

Dai-Ichi Europe Ltd.

First Chicago Limited

. Mitsubishi Trust International Limited

Samuel Montagu & Co. Limited

Universal (U.K.) Limited

Perpetual floaters fail to find stability

MOST houses active in the perpetual floating rate note (FRN) market stopped making firm prices yesterday following a period of extreme price volatility.

Six houses out of the ten who were still trading in the \$17m sector at the end of the

\$17bn sector at the end of the last week said that they would be making prices on a nego-tiated basis only for the time being, hoping in this way to restore stability to the

Three or four of the other houses intended to carry on quoting firm prices. Very little business appeared to be done on a firm price basis

yesterday, however.
Trading in perpetuals has contracted considerably since last December, when the market suffered its first shake —out. At that stage, around 40 houses claimed to be active

40 houses claimed to be active market — makers.

Since then, dealing in the issues has been almost entirely confined to professionals, and prices have spiralled downwards as they have been passed around among the market makers. Recently, only the issues for the UK clearing banks

have been traded. Yesterday, one of the issues for Lloyds was quoted at around 841, and two for Barclays and National Westminster Bank at around

Dealers said some of the prices had firmed by around one point in the course of the day.

FRN issues for big North American banks, as well as their share prices, have weakened as a consequence of investors' concern about their

exposure to Brazil.

However, dealers in the market said that the worsening trading conditions of the perpetual FRN sector stemmed from more deep-seated dissatisfaction with the performance of this extension. performance of this category of issue.

Swedish options trading opened to foreigners

By Sara Webb in Stockholm THE RIKSBANK, Sweden's

central bank, has granted per-mission for foreigners to buy and sell Swedish options.
Foreigners are allowed to invest in some Swedish shares, but the Riksbank has in the past rejected applications by non-Swedish citizens to invest in options either on underlying shares or interest rates or the index.

However, the Riksbank board upheld an appeal by a Dutch citizen last week in what it described as a "pre-cedent-setting decision." The Riksbank said that it would continue to consider applica-tions on a individual basis, rather than pass new legisla-The options market expects

further applications from for-eigners as a result and re-gards the central bank's move as a significant change in

The Swedish options mar-ket (OM) was launched in June 1985, and has taken off to a degree far exceeding original expectations. There are options in 10 shares, which trade on average 9,000-10,000

contracts a day.

The index eption, which was launched at the end of last year, already trades an average of 12,000 contracts a day this week. However, a foreigner may not exercise an option if the underlying share is restricted to residents.

Morgan Stanley put warrants

By Our Euromarkets Staff Morgan Stanley is issuing in

the international capital market 1.2m " put " warrants on the American Stock Exchange's Major Market Index of 20 blue chip stocks. Each warrant, expiring in December 1989, will allow holders to sell to Morgan Stanley securities represe ing one-quarter of the total value of all the shares in the index. The aggregate value of the 20 shares stood at \$429.21 at Friday's close.

The warrants will be priced over the next week, with the stake price set at 2 5 per cent premium to the shares' closing value on the pricing

Earnings setback at Caltex Australia

Average price change on day — Gr. of the Sales of the Sal

CALTEX AUSTRALIA, a petroleum refining and marketing company 75 per cent owned by a joint ven-ture of Standard Oil Company and Texaco of the US, has reported net operating profits down 61.9 per cent to A\$14.2m (US\$9.5m) last year despite a second half tornround, AP-DJ reports from Sydney. Revenue fell to A\$2.2bn from A\$2.4bn, affected by "severe" discounting.

Brisk new issue activity in the non-dollar sector

the non-dollar sectors, despite

market, although investors were becoming increasingly selective about new issues, dealers said. One deal that seemed assured of an enthusiastic response of an endularist its problem is indicated in the con-pesterday, however, was an six to 61 per cent, and the con-A\$100m five-year bond for BMW version premium between 18 Finance. The issue was buoyed and 22 per cent. It is callable up by the popularity of the after two years at 104, and then up by the popularity of the borrower's name with the European retail investors who are the main buyers in this sector. It was quoted at 100 bid, against a 1011 issue price and 2 per

cent fees.

Led by Bayerische Vereinsbank, it carries a 141 per cent

coupon. BMW's issue overshadowed the primary market yesterday, and Berliner Handels-und Frankfurter Bank cut back the issue size of its five-year deal for PKbanken from an initial

NEW ISSUE activity in the dealers said it would appeal to
Eurobond market was brisk selected pockets of demand. No
yesterday but still focussed on price was quoted yesterday.

Sharp rebound in Japanese Credit Suisse First Boston an government bond market.

a slightly improved tone for nounced a \$75m convertible Eurodollar bonds. issue for IU International, the Attractive swap opportunities US diversified services com-continued to lure portowers pany which has recently carried into the Australian dollar out an extensive programme of disposals and restructuring. Final terms on the 15-year

issue, priced at par, will be set on or before March 2. The coupon is indicated in the range at premiums declining by one per cent per annum.

INTERNATIONAL

McLeod Young Weir Inter-national led a C\$75m 10-year 9‡ per cent issue for Xerox Canada Finance. The issue, priced at 1011, was quoted at 991 bid, against two per cent

A\$40m to A\$30m.

The 5 per cent bond, priced at 101½, was quoted at a discount of 1½ per cent.

Daiwa Europe and IBJ Inter
The 14½ per cent issue, priced at 101½, was quoted at a discount of 2½ points on the bid side, ½ point outside its fees.

ANZ Merchant Bank's A\$30m five-year bond forBadische Kom-

But Tokyo Electric Power's recent issue firmed by around point, and Nomura Inter-national followed it up with a Y15bn six-year issue for another power company, Chugoku Kieetric Power.

Nikko Securities led two equity warrant deals for Japanese companies. These were a \$70m five-year issue for Best Denki, the consumer elec-trics company, and a \$300m sevenyear issue for Mitsubishi Estate. Best Denki's deal has an indicated 3; per cent coupon, and Mitsubishi Estate's indicated coupon is 3; per cent. They were both quoted at premiums to their par issue

In the Euro-D-Mark market, prices fell by about 1 point Commerzbank led a DM 250m six-year 5Z per cent issue for Den Danske Bank, the largest Danish commercial bank. The par-priced issue is callable after five years at 100½. It traded at levels around it 2½ per cent fees.

WestLB led a DM 125m 61 per cent bond for Iceland. Dealers said the issue's 10-year maturity Daiwa Europe and IBJ International put together a small group of co-managers for their pected to find firm placement y20bn five-year bond for Europe in due course. The 14½ per cent points bid to its 100½ issue price of 104½ quoted at levels close to its and 5½ per cent coupon, and total fees yesterday.

said the issue's 10-year maturity was unpopular with investors. It was quoted by the leadmanager at a discount of 3½ per cent in due course. The 14½ per cent points bid to its 100½ issue price in due course. The 101½, was tively high issue price of 104½ quoted at levels close to its In Switzerland, prices fell by between ½ and ¼ point.

Nashville link for Enskilda Securities

ENSKILDA SECURITIES, the companies based around Nash-London-based subsidiary of Skandinaviska Euskilda Banken shares to European investors, Securities executive director, Our Euromarkets Staff writes. said the move developed from

of ville. the research of Equitable, which ken Euskilds will also take a 4.9 has a seat on the New York of Sweden, is forming a joint per cent stake in Equitable and venture with Equitable Securia seat on its board, ties of Nashville to sell US Lord Euston, an Enskilda

said the move developed from Enskilda's role in the European The new company, to be Enskilda's role in the European called Equitable Enskilda marketing of a eventure capital Securities, will initially concentrate on marketing shares of around Nashville, a region he some 50 to 60 publicly-traded described as booming.

the research of Equitable, which Stock Exchange, with Enskilda's trading and corporate finance abilities, he said. Its capitalisation and the cost of the Equi-table stake were not large It is expected to start business in April, subject to regulatory approval, including recognition as an exempt dealer by Britain's Department of Trade.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on February 24

| 1100 | 1107, | 1107, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, | +04, ### STRAIGHTS | Issued AR Electrolur 14½ 90 AS | 58 | Amedi Fin. 14¾ 90 AS | 46 | Amro Baril 14¼ 91 AS | 75 | GhiAC 12½ 87 AS | 40 | McDonald Syst. 14½ 92 AS | 40 | McDonald Syst. 14½ 92 AS | 40 | McDonald Syst. 14½ 92 AS | 40 | Amro Baril 14½ 93 AS | 40 | Amro Baril 10½ 93 E | 40 | Amro Baril 10½ Misshin Steel 79, 92

Norway Klugdom 74, 93

Pepsico Inc. 79, 93

Gartas Airways 107, 95

Gaestas Airways 107, 95

Rajston Purina 113, 95

Sash Scanta 92, 91

Sashatchewan 103, 92

State Bk. S. Aust. 94, 93

Statol 10 90

Swed. Exp. Cred. 10 92

Sweden 87, 96

Sweden 107, 99

Sweden 88, 96

Sweden 107, 99

Sweden Kingdom 107, 90

Sweden Kingdom 791

Talyo Fistance 74, 94

World Bank 89, 16

Vasuta Trust Fiz. 89, 93

Average price change DEUTISCHE, MARK
STRAIGHTS
Ackan Dev. Bank 8 94
Ackan Dev. Bank 9 95
Ackan Bank 9 97
Ackan Bank 9

C.fb: 11/62 20/61 20/61 17/62 11/62 28/62 28/62 28/62 28/13 12/61 12/61 12/61 14/63 4/62 4/62 7/61 14/63 4/62 7/61 14/63 4/62 4/62 7/61 14

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TOPE

7:112

APPOINTMENTS

Grand Metropolitan executive posts

GRAND METROPOLITAN has appointed Mr Peter E. B. Cawdron as group strategy development director. He joined in 1983 from S. G. Warburg. In the corporate finance department, Mr Leslie G. Calken is to be appointed director of financial planning and control, responsible serving division, express foods group, GrandMet USA and Inter-Continental Hotels. Mr Bruce Wright becomes director of financial planning and control with responsibility for liaison with the brewing division, International Distillers and Vintners, London Chibs, Mecca Bookmakers and the licensed retailing division. Mr John R. Hacker is made director of group taxation and Mr Ray G. Hawkins director of accounting and information.

**

the British Institute of Management, and Wembley Stadium.

Mr Graham Pepper, previously assistant county treasurer (audit) with Lancashire County (Council, has been appointed as HALIFAX BUILDING as HALIFAX BUILDING and internal addit.

**

NORWEST HOLST DEVELOP-MENTS has appointed Mr Tom Rushton to the board.

**

FS ASSURANCE, Glasgow, has made the following promotions from March 1: Mr L. M. Campbell, senior assistant general manager; Mr J. L. M. Campbell, senior assistant general manager (actuarial); Mr T. Andersen, assistant general manager (systems); Hr G. Stewart,

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Warrant deal of the companies of the com

To Doyard the first of the firs

Tare to designed parties

Search of Equipment (1997) of the New Process with Page 1997 of the New Process of the Conference of t

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2000年 2000年 2000年 2000年

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and in time! Tur Golden en Februari

The state of the s

Mr Brian Wolfson has been appointed chairman of the NEDC's newly-formed Leisure Industries Economic Development Committee. He is chairman of Anglo-Nordic Holdings, chief press officer at The Stock Once of that company since pensions manager, and Mrs P. A.

Thomson, manager (policy servicing).

Thomson, manager (policy servicing).

The Stock Mr Gordon Galld and Mr Roy Veal have been appointed joint managing directors of GAR-field press officer at The Stock FIELD LEWIS.

FS ASSURANCE, Glasgow, has made the following promotions from March 1: Mr L M. Campbell, senior assistant general manager; Mr J. L. McKenzle, assistant general manager (actuarial); Mr T. Andersen, assistant general manager (actuarial); Mr T. Andersen, assistant general manager (actuarial); Mr J. Meechan, assistant general manager (systems); Mr G. Stewart, pensions manager; and Mrs P. A. Thomson, manager (policy servicing).

Exchange will be joining THE BOC GROUP in mid-March as group manager — investor and media relations.

(audit) with Lancashire County
Council, has been appointed
as HALIFAX BUILDING
SOCIETY'S head of internal
audit.

NORWEST HOLST DEVELOPMENTS has appointed Mr Tum
Rushton to the board.

**The Michael D. Revell, formerly senior vice president and head of ship finance of Marine
Midland Bank, who retired at the end of 1986, has been appointed a non-executive director of THE BEN LINE
STEAMERS.

Mr T. S. Corrigan has been appointed a mon-executive director of REX STEWART & ASSOCIATES. He is chairman of Havelock Europs and of Witchampton Boardmills. He is also chairman of Post Office Users' National Council.

Mr John G. Collier, chairman of the United Kingdom Atomic Energy Authorizy, and Mr Derek Taylor, deputy managing director of the National Nuclear Corporation, have been appointed to the board of the corporation. Mr Collier replaces Mr Arnold Allen, former chairman of the Authority, who retired at the end of December, as an Authority propince. Mr as an Authority nominee. Mr
Taylor has been an associate
director since 1983, Mr Alan
Finley, deputy managing director of the joint NNC-Westinghouse organisation, PWR Power
Projects, and Mr W J W rouse organisation, PWR Power Projects, and Mr W. J. M. (John) Davies, head of pro-jects, have been appointed associate directors. Mr Davies becomes director of projects for NNC.

CONTRACTS

Opencast mining near Wakefield

ALFRED McALFINE ENERGY In a second deal on the comhas been awarded a contract
worth more than £5m by British
Coal for opencast mining operations near Wakefield. The contract will involve extraction of
about 280,000 tonnes of bituminous coal from the St John's

ALFRED McALFINE ENERGY
In a second deal on the company's 31-acre site at Welham
Green, Heritordshire, MOWLEM
Of the site Mowlem Property
Developments provided a 280,000
to masonry arch bridges throughout County Down. French Kier
Tesco Stores.

WALTER LAWRENCE & SON

(£1.56m). The 65-week contract
is due for completion April 1988.
In
the second contract is for repairs
to masonry arch bridges throughout County Down. French Kier
Tesco Stores.

WALTER LAWRENCE & SON poencast site.

The award of the contract by British Coal is linked directly to strian Coal is linked directly to a restoration programme for the area known as the "Welbeck Reclamation Scheme." It is being carried out by Wakefield local authority in conjunction with British Coal and other local industries.

The company is contracted to maintain an output from the site of 2,000 tonnes of coal per week, giving a life-of-mine of about three years, with a further nine months to finish restoring the

Brazilian

FINANCIAL HIGHLIGHTS

Capital & Reserves

Subordinated Loan

Total Assets

Pre Tax Profits

After Tax Profits

Banco do Brasil S.A.

Deutsche Bank A.G.

YEAR ENDED 31st DECEMBER

Bank P.L.C.

1985

1,156.0

1986

40.0

11.4

1,166.3 1,278.2

Shareholders

The Dai-Ichi Kangyo Bank Ltd

Bucklersbury House, 11 Walbrook, London EC4N 8HP

(US\$ M's)

Missubishi Electric UK to provide the company with a new UK headquarters and distribution facility. In a land and accommodation package worth over £13m, Mitsubishi will receive a 100,000 sq ft warehouse and 65,000 sq ft of offices on the remaining 15 acres of the site, known as the South Hatfield Business Park, close to the Al and M25. The landscaped layout, which includes 400 parking spaces, allows for a further 65,000 sq ft each of offices and warehousing in the future. Mowlem (Building) has started work on the development, which

work on the development, which features three floors of air-conditioned offices around a landscaped courtyard. Comple-European (

1985

27.7

Bank of America Group

Union Bank of Switzerland

(EM's)

1986

75.7

27.0

WALTER LAWRENCE & SON WALTER LAWRENCE & SON has been awarded a contract for construction of a bank, shop and office complex at 80-83 Victoria Road, Surpiton, Surrey, on behalf of Barclays Bank. The £1.1m contract includes clearing the site and filling in a small basement, followed by the construction of a three-storey building which will consist of the bank and a shop unit at ground floor level with offices above. Work has started to be completed in December.

JOHN WILLMOTT HOUSING, a subsidiary of the John Willmott Group, has been awarded a con-tract worth about £619,000 by the Royal Borough of Windsor and Maidenhead for construction of a three-storey block of flats for the elderly at Princess Street, Maidenhead. Bush Gould, also part of the Willmott Group, has been awarded a contract worth about £520,000 by Wright (Proabout £520,000 by Wright (Properties) for a supermarket at
Church Street, Saxmundham,
Suffeik. John Willmott North
London has a £242,000 contract
from the Home Office for a conversion to the bath house at
Pentonville Prison in Caledonian

HAYMILLS (CONTRACTORS)
has been awarded contracts
worth \$4.5m by the Property
Services Agency. At RAF Bentivaters, Suffolk, the expansion
and renovation of a shopping
centre is being undertaken at a
cost of \$2.4m. Other work includes a AAFES Burgerking
facility at RAF Alconbury, Bedfordsbire, value \$540.429, and
fordsbire, value \$640.429, and
fordsbire, value \$640.429, and
fordsbire, value \$640.429, and
fordsbire, value \$640.429, and
fordsbire, value \$640.4 fordshire, value £540,429, and a fordshire, value £540,429, and a three-year term maintenance order at RAF Wyton, Hunting-don, worth £1.65m.

French Kier subsidiary MOSS SOUTHERN has been awarded a contract for an ASDA superstore in Bristol (£5.86m) by Associated Dairies MFI. Kier's subsidiary in Northern Ireland, Charles Brand, has been awarded two civils contracts by the DOE Northern Ireland. The first is for stage 1 of the Newry bypass

contracting division of C. H. Beazer Holdings.

Two dilapidated sites in Glasgow will undergo a transformation as NORWEST HOLST carries out £1.4m worth of work. In the si.4m worth of work. In the larger of the two contracts—worth nearly film—a five-storey development in Sauchiehall Street will enhance a site that has remained undeveloped since the existing buildings were demolished several years ago. The second contract involves renovation of one of two potentials. second contract involves renova-tion of one of two rotunda's which were the original access buildings for a now dissused tunnel under the River Clyde. Both brick and slate structures have cluttered the 'ky-line in a run-down state for several years. Norwest Holst's £360,000 contract will restore the external contract will restore the external structure of the north building

to its former glory as well as converting the inside to house three bars and three restaurants

E. THOMAS & CO, a west country division of the Mowlem Group, has been awarded a £2m design, manage and construct contract by Plymouth City Council to carry out improvements at Plymouth City Airport, Roborough, home base of Bryman Airways. The work involves construction of a 1,190 metre long runway with approach lighting system, widening and overlaying another runway with high-intensity edge lighting, enlarging

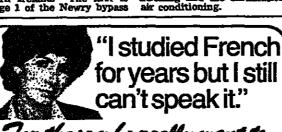
of 2,750 sq metres are being extensively refurbished. The work will include the fitting of suspended ceilings, joinery, partitioning and the installation of

DOCKLANDS E14 eception, kitchen, SIR ROBERT MCALPINE MAN-AGEMENT CONTRACTORS bas commenced work on a £1.27m Properties at its premises at 33, Cavendish Square in London's West End. The second, 15th and 16th floors, with a combined area

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The Maruetsu, Inc.

Notice to Warrantholders of

to subscribe for Shares of Common Stock of The Maruetsu, Inc. issued in conjunction with the issue of U.S.\$70,000,000 2 % per cent. Guaranteed Bonds 1991

Pursuant to the Instrument dated July 2, 1986 relating to the above mentioned Warrants. we hereby notify as follows:-

1. The Board of Directors authorized on February 23, 1987 to effect a free distribution of shares at the rate of eighteen (18) new shares for each one hundred (100) shares held as of March 31, 1987 Tokyo Time (the record date).

2. Accordingly, the Exercise Price of the above mentioned Warrants will be adjusted pursuant to Clause 3 of the said Instrument effective as from April 1, 1987 Tokyo Time as follows:

Exercise Price before adjustment Yen 1,282.00 Exercise Price after adjustment Yen 1,086.40

February 27, 1987

The Maruetsu, Inc. 17-2, Ageba-cho, Shinjuku-ku, Tokyo, Japan





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Lake Geneva

& Mountain resorts

Clubs

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Tel. 41.22/34 15 40 - Telex 22030

Residential Property



Rentals

CHESTERTONS

HIGHGATE VILLAGE, N6

Highgate Office: 81-341 9091 LONG DITTON, SURREY

Large detached family home in exclusive cull de sac near shops and transport. 4 beds, 2 baths, 3 receps, kit, dble gge, ige gdn. Co. let.

Wimbledon Office: 01-946 9446 IYERNA COURT, W8

A stylish 3 bed flat in popular block in quiet garden square. Elegant dble recep, kit/b'fast rm, 2 baths. Kensington Office: 01-937 7244

CADOGAN SQUARE, SW3 £425 p.w. Most attractively designed and well furnished 4th floor flat, overlooking this highly prestiglous Chelses square. Large sunny recep, dole Brand new most superbed + en suite bath, single bed, Must be seen to he are fl kit.

Docklands Office: 01-538 4921 PONSONBY PLACE, SWI £600 p.w. Immaculate 4 bedroom house, two reception rooms, 2 bathrooms, 1 shower room & closkroom. Petio garden, large family kitchen/breakfast room with all machines. This house is ideal for entertaining with large conservatory type dinning rm. Avail. now for 12 mnths +.

CHESTERFIELD GDNS, WI

Mayfair Office: 01-629 4513

DOCKLANDS E14 £135 p.w.

Bright newly decorated fully fur-nished second floor flat. Two double bedrooms, bethroom, recep-tion rm and fully fitted kitchen.

Superbly furnished and decorated one bed flat with stunning views of Thames and Greenwich. Garage, balcony.

Brand new most superb 2 bedroom apartments close to all amenities. Must be seen to be appreciated. Little Venice Office: 01-286 4832

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KENSINGTON W8 01-629 6604

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QUALITY FURMISHED FLATS AND HOUSES, SHORT AND LONG-LETS TEL: 01-002 2271 TELEX: 25271

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DUKE

Tel: 01-723 7077/258 3668 Telex: 24141 DUKEAP - Fex: 724 8828

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Overseas Property

SFr495.000
Excellent opportunities for foreigners. 60% mortgage available at 67% interest AGENCE FORMANDE IMMOBILIERE SA Gal. Benj-Constant 1 CH-1003 Lausanne, Switzerland Tet: 21/20 70 11 - Tx: 25873 aril oh Sale directly from builder

Flights

Art Galleries

Company Notices



- Bank of Tokyo (Curação) Holding N.V.

£30,000,000 Guaranteed Floating Rate Notes Due 1990 unconditionally guaranteed by

The Bank of Tokyo, Ltd.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 23rd February, 1987 to 26th May, 1987 has been fixed at 10% per cent. per annum. Coupon No.14 will therefore be payable on 26th May, 1987 at £1,362.67 per coupon from Notes of £50,000 nominal and £136.27 per coupon from Notes of £50,000 nominal.

S.G. Warburg & Co. Ltd.

ARROW CAPITAL N.Y. Established in Curacao. Netherlands Antilles

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR URGENT ATTENTION

NOTICE IS HEREBY GIVEN that on Wednesday March 25, 1987 at 3 or Clock in the afternoon (local time) the Annual General Meeting of shareholders of the Company will be held at the offices of the Company, John B. Gorsilrawg 5. Willemstad, Curacaó, Netherlands Antilles, for the following purposes,

4) To re-elect intimis Managemen Company N.V. as the managing director of the Company for the Deriod expiring on the next follow-ing Annual General Meeting.

next Annial General Mercing

1 To re-appoint Messrs. Coopers and
Lybrand, Curezoo, as the independent auditors of the Company for
the ensuing year.

1) To approve the remuneration of
the managing director for the scal
year ended September 30, 1985,

1) To rattly, confirm and approve
the acts of the managing director
and the members of the advisory
board during the fiscal year ended
Seetember 30, 1985,

1) To approve the other by the Com-

11) To transact any other business which may lawfully arise at the meeting. Cooles of the audited balance sheet and profit and loss account may be obtained by all shareholders from the offices of the Company as well at from the offices of its Eponsoring banks.

NOTICE OF REPURCHASE OF SHARES

SARAKREEK PARTICIPATIONS N.V.
ESTABLISHED IN CURACAO
NETHERLANDS ANTILLES
Notice of the Annual General Meeting
of Shareholders to be held on
NOTICE March 10, 1987
NOTICE March 10, 1987
NOTICE March 10, 1987
Notice of Sarakreek Participations N.V.
will be held on March 10, 1987 at
3.00 n.m. at the offices of the Company at 6 John B. Goralraweg, Curacao
(N.A.), to approve the report of the
managing director, the annual secounts
of the Company for the financial vesurs
of the Company for the financial vesurs
and stock dividends for the alone
mentioned financial years and to discharge the management in conformity
with the Company's Articles of incorporation. poration.

The official agends of the meeting may be inspected by all shareholders at the offices of the Company and is

Hotel & Travel

evailable upon request.

AMRO TRUST CORPORATION N.V.

Managing Director

Stay in Prince Belmonte's Italian Palazzo

A magnificent. 17th century private palazzo on the sea, converted by Prince and Princess di Belmorate into elegant, buurious apartments. Extensive grounds, private beach, pool, unspolled countryside steeped in history combine to ranke. history combine to make a in instancy comme to make a unique holiday. Also wonderful houses in Tuscarry and Porto Ercole. Ask for our villa brochure, including the Algarve and Monchique hills; Greek islands; Turkey (Our exclusive South of France houses — rentals

om £400 to £5000 per s eparate brochure.) CV Travel (%)
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43 Cadegum Street,
Chebes, London SW3 2PR
01 581 0851 or 584 8803
(589 0132 24km)
268 0132 24km)
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ATE AVAILABILITY—Seythelles, Kenya Caribbean and Florida, Contact Interline Trave, 01-249 8663. Telet: 269880 ABTA bur operator No. 56302.

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odge Close, off Howell Rill Grove

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Cheam Surrey

5.00pm or details from

* double garage

NOTICE IS HEREBY GIVEN of an officer by the Company for the repurchase of up to 53,569 cf. the outstanding shares at a price of US\$ 74.6 cayable in cash. LODGE CLOSE near CHEAM VILLAGE A stylish five bedroomed detached house built in attractive stock bricks to the highest standard including: * gas fired central heating at natural wood kitchen * fully tiled bathrooms * feature lighting * carpeting throughout

INTIMIS MANAGEMENT COMPANY N.V. Managing Director with the approval of the Advisory Board

Amsterdam
Amsterdam
Panque Briorelles Lamb
Panque Briorelles Lamb
Panque Brissels
1050 Brissels
Rochischit Bank A.G.
2011kerstrasse 181
8034 Zurich Bank
Panque Internationale a
5.8.
2. Boulevard Royal
Luxembourp

A SALL SERVICE CONTROL OF STANKING TO SERVICE SERVICE

The state of the s

NatWest's profit soars past £1bn

BY DAVID LASCELLES

yesterday reported pre-tax 38 per cent, Costs rose 17 per profit of £1.01bn, the first time cent, but declined as a percena UK bank has passed the tage of total income from 75 UK bank has passed the billion pound mark.
The strongest growth was

recorded by NatWest's domestic operations, while some other parts of the group were held back by high development costs or heavy provisions against loan losses.

Lord Boardman, the chairman of the UK's largest clearer, said the profit had been earned against "very tough competi-tion in financial services, both in the UK domestic market and internationally."

However, he foresaw "a strengthening world economy where the bank and our customers can plan ahead with confidence."

National Westminster Bank earned £621m, an increase of per cent to 74 per cent. The major contributor to pro-

fit was domestic banking with £720m, up from £526m in 1985. The bank opened nearly a million new accounts, and earned more from its lending activities thanks to both large volumes and wider interest margins.

International banking contributed £223m, up from £181m. The bulk of this came from Natest's US subsidiary. Results from other international operations declined, mainly because of increased provisions for bad

customers can plan ahead with confidence."

The profit increase amounted to 26 per cent, which was in line with market expectations. At the post-tax level, NatWest

There was a mixed performance from subsidiaries. NatWest Investment Bank, the new group created for last year's Big Bang, lost £27m, excluding £11m costs charged to the

group. But this outlay is contribution shows a marked viewed as a major strategic shift in NatWest's orientation investment. NatWest Home back towards the UK. Domestic Loans, the mortgage subsidiary, banking accounted for 71 per to £45m because it has been cent in 1985. International buying market share. Courts, banking declined from 23 to its specialist banking arm, 22 per cent. During the year, earned £12m, down from £14m, NatWest also registered a fall because of development costs.

NatWest's total provisions for bad debts amounted to £373m, up from £338m. Lord Boardman said this reflected the bank's continued prudent view world economic conditions. The this summer, said the group's bulk of these were against specific international debts, though Lord Boardman stressed that NatWest's exposure to the Third World debt problem was specific to new technology. Third World debt problem was small. Domestic provisions were also up, mainly because of mounting personal and small

company debts. The breakdown of profit

in its dependence on wholesale funds, mainly because of an increase in balances in its current and special reserve

Mr Philip Wilkinson, the

The final dividend is 13.5p. making a total of 20.5p, up 14.7 per cent. NatWest's shares closed last night at 618p, up 1p.

House building boosts Trencherwood

Trencherwood, a USM property development, investment ahead of forecast, and that and contracting company, increased its pre-tax profits from stantial increase in the number 53.02m to 54.21m in the year to October 31 1986.

mercial development's contri- attitudes to investment in office bution was down from £5.34m and industrial schemes in the

the directors said demand The group has acquired a for new homes was strong 50 per cent stake in a new throughout the year in all company which already has four sectors of the market, and they commercial schemes under the strong that this had company which already has four reported the reported that this had company which already had company which already had company which already had company which already had company whic sectors of the market, and they reported that this had continued into the first quarter of £10m. The first scheme is of the current financial year. programmed to be completed pletion rate. A third of this stated 1849 a snare after the tions are reflected in it having placing and the strong rating depends mainly on the continued bouyancy of the M4 sun-

Residential development increased its turnover from cial division was mainly due to
£12.98m to £18.75m, but com- a change in the institutional

provinces during 1986. The total dividend is raised Demand from tenants and from 5.2p net to 6.15p via an owner-occupiers had been increased final of 4.5p (3.7p). strong and should lead to a rise Stated earnings per share rose in the contribution made by from 21.09p to 29.27p, and a Trencherwood commercial in

Arrangements have been com-Arrangements have been completed for raising approximately £6,34m, net of expenses, by way of a placing of 1.3m new ordinary shares at 500p per share. The new shares will not rank for the final dividend in respect

ordinary.

The new money will be raised to finance Trencherwood's future growth in a number of different directions, including further expansion out-side west Berkshire and in the retirement market.

• comment

Net assets will be an under
Trencherwood's growth ambi
stated 184p a share after the comment

West Berkshire heartland, ensuof the year to October 31 1986. The placing has been chosen as but will rank parl passu in all the cheapest route to fund the other respects with the existing land bank and the infrastructure requirements of the West Berks' structure plan. It usefully should open up the market in the shares by reducing the board's holding to about 70 per cent. On forecasts bumped up to £5.8m, the shares at 533p are on a prospective multiple of 15.

Floyd Oil cuts offer for Hampton to £4.3m

independent on shore oil exploration company, has reduced its £5m offer for Hampton Gold Mining Areas UK coal mining interests to £4.3m because of doubts about the viability of its Scottish operations,

over last year by Mr Alan Bond, the Australian entrepreneur, is the UK's biggest private producer of underground coal, with seven mines in England and above

Scottish mines.

Should Floyd decide to continue all operations, Hampton would receive a further £375,000. But should Floyd deouds about the viability of its cide to close any of them, cottish operations, Hampton, which was taken the closure costs up to £300,000, were last year by Mr Alan Rend.

> were performing expectations, said Mr

Mr Tod Floyd, chairman of tor of Hampton, said that since Floyd, said immediately after the original deal was struck the completion a decision would be availability and quality of coal taken whether to continue at one of the Scottish mines had

operations at each of the three deteriorated, and they were all being evaluated. The deal will double the size

988.
It will be financed by a £6m Hampton's coal businesses made closure costs up to £300,000.

The English operations, which represent the bulk of the ways of the shares have been condition.

The share placing at 40p, a 9p disprosite profit before tax of £384,000 on turnover of £6.8m, compared turnover of £6.8m, comp

Floyd's existing shareholders

about £700,000 will be made of Floyd and enable it to fund three months after completion its onshore drilling programme for net current assets, excluding not expected to yield oil until 1986.

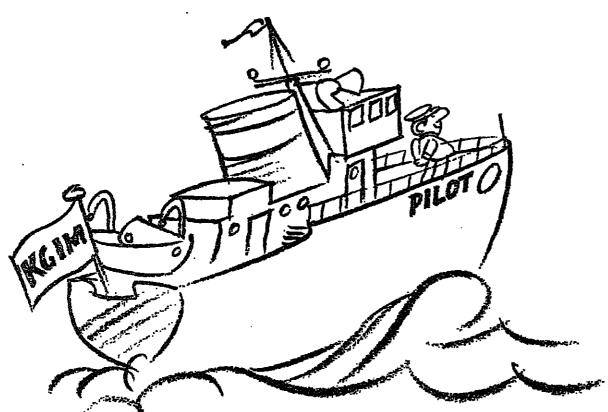
It will be founded by a few standard by a few

Investment and the English of £724,000 on sales of £5.2m.

According to the company, the Floyd's existing shareholders decline was due to the effects of will have the option to take up the miners' strike and the costs \$3.5 per cent of the issue at the of bringing a new mine into placing price on a two-for-three production.



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Maxwell lifts stake in Baker **Perkins**

By Philip Coggan

HOLLIS GROUP, the vehicle for Mr Robert Maxwell's expansion into engineering, has increased to 9.65 per cent its stake in Baker Perkins, Peterborough-based engineer ing group, currently atempting an agreed merger with

Hollis approached Baker Perkins about a merger before details of the proposed APV deal were announced in January. After that news January. After that news emerged of a Hollis stake in Baker of little less than 5 per cent. Mr Maxwell said that further moves would await the formal APV offer

When the decument arrived on February 6, it contained the embarrassing news that the terms had been reduced by £30m because of unexpected cost over-runs in BCS, one of Baker's food machinery divisions. The news caused an immediate slide in the Baker price from 405p to 331p and increased speculation that Hollis might be prepared to

Milford Docks shares suspended

By Mike Smith

SHARES in the troubled Milford Docks group were minoru Docas group were suspended at 71p yesterday pending a capital restructur-ing and reorganisation. The company said it planned to convert a small proportion of debt into equity and a rights issue would fol-low. Shershelders would fol-

low. Shareholders would receive details of the proposals in three to four weeks and an extraordinary general meeting would be convened to approve the plan.

The south Wales company made a loss of £198,000 in the first six months of 1986 following a loss of £773,000 for the whole of 1985.

Yesterday its board of directive details of the plant of the statement of the whole of the plant of the whole of the plant of the whole of the plant of the p low. Shareholders would re-

Yesterday its board of directors said it believed the core activities of the group were capable of considerable development given the enter-

RENTOKIL GROUP has paid \$1m for four companies in the US. They are in the main areas conurbation where the US subsidiary already has well-established operations.

British Aerospace ups its stake in **Systems Designers**

System Designers shares closed at 98p — a 21p gain on the day. At that price, the company is capitalised at £115m. comment on its reason for buy-ing the stake other than to deny that it had any current plans for a full bid or that its move was designed to protect SD

The trading overlap between SD and BAe is small at present, according to analysts. Although SD has links with four of BAe's

tary and civil aircraft group, vesterday mounted a "dawn UK computer software producer, taking its total stake in the business to 13 per cent. A further 1.9 per cent is held by the British Aerospace Pension

best remaining independent," commented BAe. However, it

British Aerospace, the milisix divisions, the turnover in-ary and civil aircraft group, volved is estimated at around resterday mounted a "dawn film — out of a total in 1936

BAe had built up a holding of 6.05m shares in SD over the past few days — around 5.2 per cent of the company's equity. But this was added to yesterday morning when Hoare Govett, BAe's stockbrokers, went into the market and acquired a further 8.95m shares at a cost

"We think the company is

System Designers was equally tight-lipped yesterday. But a meeting between BAe, SD and SD's advisers, Samuel Montagu, is planned for this morning and SD said a statement was likely to be issued afterwards.

raid" on Systems Designers, a of perhaps £60m. Fund.

of 994p a share.

against another potential preda-

did not rule out a future increase in its stake.

nificant role in the development of "Ada" — which is set to become thet standard defence computer language — and analysts reckon that longer-term BAe might account for around A number of the funding directors of SD previously worked together at GEC before setting up their own business in 1969. One suggestion among analysts yesterday was that BAe was treading carefully to avoid alienating key management in a "people" business.

However, SD is playing a sig

SD last month confirmed that it expected pre-lax profits to fall from £7.32m to not less than £4m in 1986. It had previously hopsed to make almost £9m after reporting £3.3m for the first half,

Ladies Pride swings back into profit

Ladies Pride, manufacturer of ladies' fashion outerwear, swung back with pre-tax profits of £76,000 in the year to November 30 1988, compared with losses of £397,000 a year earlier, and losses of £12,547 at the halfway stage at the halfway stage.

The final dividend is unchanged at 0.25p net for a sameagain total of 0 75p. Stated earnings per 20p share were 0.69p against losses of 4.5p. Group turnover fell slightly from £7.54m to £7.26m.

DIVIDENDS ANNOUNCED

C	irrent	of to	orres- onding	Total for	Total last
į par	ment	payment 🚡	₫i₹	Acar.	year
Bullers	1.5†	May 5	1	2	1.5
Capital & Counties		May 1	2.3	7	4.5**
Continental & Ind		_	15	20∦	22
Independent N'papers	8	_	6.67*	12	10*
Ladies Pride		_	0.25	0.75	0.75
Lee Intlint.	1	Apr. 24		_	1.5
Alfred McAlpine	10.5	Apr. 3	8.7	14.5	12.5
Metal Bulletin	3.15‡	Apr. 16	2.75	4.8	4.25
Murray Int. Trust	3.5		3	5	4.5
NatWest	13.5t	. Apr. 3	26	20.5	28.2
Stonehill Hldgs,int.	nil	_	3	_	6
Trencherwood		_	3.7	6.15	5.2
United Packaging int.		Apr. 2	1.4	_	3.25
US Debenture			4.27	6.52	6.52
Dividends shown pence	per s	hare net o	except	where	otherwis

stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM tock. § Unquoted stock. ¶ Irish currency. || For seven months to Dec. 1986. ** For nine months to Dec. 1985.

Demerger claims 64% of L and N

By Nikki Tait

Demerger Two, the newly-formed company which is bid-ding £90m for London and Northern, the troubled con-struction, energy and healthcare group, yesterday announced that it owns and has received acceptances in respect of 63.83 per cent of L and N's shares.

The paper offer has been ex-tended until March 9, but its cash alternative of 81p has been

withdrawn. withdrawn.

Yesterday, Mr Peter Earl, a director of Ifincorp Earl which is advising Demerger, said he was delighted with the level of acceptances. Within the 63.8 per cent total is the 5.52 per cent stake held by associates of Demerger. These associates have since purchased a further 1.79 per cent stake, not been included in yesterday's figures.

Capital & Counties Capital and Counties, property investor and developer, returned profits of £14.16m pre-

tax for the year to December 31 1986 and is paying a dividend of 7p net via a final of 4p. The profits compare with £9.16m for the nine months to end-December 1985. For that period shareholders received

dividends totalling 4.5p. Basic net asset value mounted to 350p (299p): fully diluted the figure was 322p

(280p). During the year, the company was selected as the developer of the shopping centre at Bromley. It also progressed towards the completion of the regional shopping centre at Hanley, and the start of others at Watford and Thurrock.

Furthermore, the revaluation surplus on the UK investment properties rose by 10 per cent to £22.9m.

Net property income for the 1986 year rose to £17.8m (£11m) and property trading produced profits of £3.55m (£1.56m). Tax accounted for £3.39m

(£2.48m) and left net profits at £10.77m (£6.68m), equal to fully diluted earnings of 13.3p (8.5p). At year-end, shareholders' funds were standing at £269.1m, an increase of 17 per cent over last time's £229.26m.

ultimate holding company is LibLife Controlling Corporation (South Africa).

US Debenture's asset

US Debenture Corporation, the £247m investment trust in which the Water Authority Superannuation Fund holds a 12 per cent stake, and which has put forward unitisation pro-posals, yesterday reported an increase in net asset value from 275.8p to 353.5p during 1986.

The pre-tax profit produced by the trust increased from £5.68m to £7.3m, helped by a rise in profits from £98,000 to £775,000 on dealings in investments by subsidiaries—2 result, say managers GT, of the recent buil market.

Rank Org

Rank Organisation has had a good start to the present year, Sir Patrick Meaney, chairman, said in his annual statement to shareholders. Trading had con-tinued to be good and an improvement was expected in the profitability of associate interests

AUXIGLASS, French sub-sidiary of Hartons, London-based plastics and distribution group, has acquired Naegelen Distribution of Mulhouse for FFr 9m (£965,000) cash. Directors said that Naegelen would add to Auxiglass's strength in the Paris region and provide an important presence in Eastern

BOARD MEETINGS TODAY

TODAY		
Interims: Eleco, Electron House,		
Merrivale Moore, Ramus.		
Finals: BPP Holdings, T. Cowie, First		
Scottish American Trust, Miss World,		
Pitterd, Updown Investment, Wetes		
City of London Properties, Yorkshire		
Chemicals.		
FUTURE DATES		
Interime: Bryant Holdings		
Happas (John)		
Nationwide Leisure Feb 27		
Space Planning Services Mer 2		
Star Computer Mar 4		
Tor Investments Feb 26		
Tottenham Hotspur Feb 27		
Trens-Natal Coal Mar 4		
Unigroup		
Finals:		
AMS Industries Mar 3 Allied Plant Mer 3		
Altied Plant Mer 3		
BSG International Apr 2		
British Assets Trust Feb 26		
Channel Islands and Int Tst Mar 2		
Corah , Mar 5		
File Indmar Mar 5		
Glynwed International Mar 12		
Hali Engineering Mar 24		
Heywood Williams Mar 5		
Jove Investments Mar 31		
Mount Charlotte Investments Mer 3		
New Darien Oil Trust Mar 11		
Ruo Estates Feb 27		
Save and Prosper Gold Fund Mar 3		

LG. INDEX FT for February 1,557-1,563 (unchanged) Tel: 61-828 5699

value rises to 353.5p

trust's holdings in Europe were increased so that around half the portfolio is currently invested in the UK, about 27 per cent in the UK, and 15 per cent in European securities.

The final dividend is held at 4.270, making a total of 6.520 4.27p, making a total of 6.52p (same). The tax charge rises from £1.8m to £2m, and earn-

Towards the end of 1986, the

ings per share are up from 5.47p to 7.48p.
At an extraordinary meeting last month, the Water Authority fund's proposal for unitisation or some other means of realising the underlying value of the company was passed, as was a second resolution put forward by the board that directors re-examine the future direction of the company. A directors' recommendation is expected shortly and before

the annual meeting on March Yesterday, US Debenture Corporation's shares were un-changed at 358p—a small premium to asset value.

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RCO heads for market via placing

and the commence of the commen

RCO, an industrial cleaning company, is coming to the main market through a placing of shares being sold by three of its institutional investors.

to the issue, is placing 1.65m shares—just over 16 per cent of RCO's total equity—at 95p a share, valuing the company at The vendors are three invest-ment trusts which took their initial stakes at the equivalent

of 19p a share in July 1979. RCO provides contract These institutions were given cleaning services throughout an indication that a listing England. Its main business is cleaning factories and offices, printe time. but more recently it has won contracts at military establishments and last year started

Gellaw sells

its stake in

By Raiph Atkins

Gellaw.

John Williams

Gellaw Properties has sold its 12.2 per cent stake in John Williams of Cardiff, an iron

manufacturer and steel stockholder.
Gellaw, a private company, held 848,028 ordinary shares in Williams and its decision to

sell follows the sale by the Wyndham Group of 805,082

ordinary shares in the com-pany in November. Mr Brian Brownhill, the chairman of Wyndham, is also chairman of

over of £11.4m. No final dividend was paid.

closed up 1p at 37p.

Shares in Wililams yesterday

The company is being floated on an historic price/earnings ratio of 11.57 and on a prospective gross yield of 5.79 per cent. RCO acknowledges that the

office cleaning market has suffered from intense price competition since 1983 but it expects to win new contracts in this market.

The vendors are The Fleming Technology Investment Trust (600,000 shares), The

Turnover has risen from Trust (500,000 shares) and stilled the contract cleaning fr.3m in 1982 to f.14.4m in the Bishopsgate Nominees (for sector, but it compares poorly shills pre-tax profits have risen from £863,000 to f.1.83m.

Trust (500,000 shares) and villed the contract cleaning sector, but it compares poorly with the general trend of industrial profits. Nor is there from £863,000 to f.1.83m. (400,000 shares). Another 150,000 shares are being issued by the company to cover the costs of the flotation.

The majority of the company's shares will remain with institutional investors.

> comment The attractions of RCO's flotation may be manifest to the vendors, who will realise a 400 per cent gain on their initial investment, but to would-be purchasers they are less clear

villed the contract cleaning sector, but it compares poorly with the general trend of industrial profits. Nor is there any suggestion in the prospec-tus that matters are about to improve; indeed, there is an explicit warning that increased levels of activity are likely to explicit warning that increased levels of activity are likely to have an adverse effect on profits initially because of start-up costs. The best case for buying the shares appears to rest on the yield, which is handsome next to those of most new issues this size. Yet there are alerty of approximating to better plenty of opportunities to better it with stocks already on the cut. RCO's compound annual profits growth rate of 11 per cent is commendable in the market: British Gas pays out as much even in its fully-paid

JSB Electrical makes debut with £6m tag

ISB Electrical, which manufactures and distributes emer-lighting and in the relatively company's prestige within its following and fire-detection new fields of energy efficient market.

In the core business of emergency ing capital and of enhancing the company's prestige within its following within its following and fire-detection equipment, is joining the Unlighting and fire-detection equipment.

In the core business of emergency ingreated within its following the Unlighting and in the relatively company's prestige within its following the Unlight in the core in the listed Securities Market in a placing which will capitalise its business at £6m.

The company has decided to go public in order to raise capital to invest in its plant and production processes, thereby expanding its activities within of raising this additional work
ment.

Almost all the capital raised by the placing will be channelled into the company. Mr has since established markets in the UK and overseas, in the Far managing director, said that the placing was perceived as a way expanding its activities within of raising this additional work
in Cheshire, was founded, as a manufacturer of low-voltage lighting, in 1962. The company has since established markets in the UK and overseas, in the Far the placing. Its sh capital raised lighting, in 1962. The company has since established markets in the UK and overseas, in the Far the placing. Its sh capital raised lighting, in 1962. The company has since established markets in the UK and overseas, in the Far the placing. Its sh capital raised lighting, in 1962. The company has since established markets in the UK and overseas, in the Far the placing was perceived as a way of the company. Its should be capital raised lighting, in 1962. The company has since established markets in the UK and overseas, in the Far the placing was perceived as a way of the company. Its should be capital raised lighting, in 1962. The company has since established markets in the UK and overseas, in the Far the placing was perceived as a way of the company has since established markets in the UK and overseas, in the Far the placing was perceived as a way of the company has since established markets in the UK and overseas, in the Far the placing was perceived as a way of the company. Its should be channel to the company has since established markets in the UK and overseas, in the Far the placing was perceived as a way of the company has since established markets in the UK and overseas, in the Far the company has since established markets in the UK and overseas, in the Far the company has The company will release 1.5m shares, or 28.6 per cent of its equity, at 115p a share in the placing. Its shares will have an historic p/e of 14. The broker to the placing is Henry

J. Wood places 2.3m shares at 144p each

JOHN D. WOOD, the up-market partners in 1975. placing which will give it a Mr Homersham, and there will market capitalisation of \$11.1m.

Baring Brothers the chant bank, has arranged a placing of 2.3m shares—just under 30 per cent of the enlarged equity—at 144p a share. Stockbroker to the issue

residential and agricultural putting the shares on a prospec-property in London and the tive price/earnings multiple of south-east. It was founded in 16. 1872 and built up a reputation Of the shares being placed,

Gellaw.

Last February Wyndham made an offer for Williams' shares that was rejected by the company. The offer subsequently lapsed in April.

In the year to September 30 1986, Williams reported pretax profit of £280,000 on a turnover of £11.4m. No final diviand estates.

The joint chairmen of the company, Mr George Pope and a bank Mr Ian Homersham, joined the increase side of the business and became 300,000 by Mr Homersham,

estate agent which last month unveiled its plans for a quotation on the USM, yesterday published the prospectus for a placing which will give it a property of Mr Pone and placing which will give it a property of Mr Pone and placing which will give it a property of Mr Pone and placing which will give it a property of Mr Pone and placing which will give it a partners of Mr Pone and placing which will give it a partners in 1975.

The commercial estate agency business of John D. Wood will continue to be operated by former partners of Mr Pone and placing which will give it a partners in 1975.

The prospectus shows pre-tax profits rising from £267,000 in 1984 to £756,000 in the year to April 1986. The company is coming to the market on a is Phillips and Drew. profits forecast of not less than John D. Wood specialises in £1.1m for the current year,

1872 and built up a reputation of the shares being placed, for dealing with country houses and estates.

The joint chairmen of the proceeds will be used to repay company, Mr George Pope and a bank overdraft and to Mr Ian Homersham, joined the increase working capital. John D. Wood partnership in Another 300,000 shares are 1970 on the London residential being sold by Mr Pope and

BPB plans European expansion

By Raiph Atkins

BFB Industries, Slough-based suppliers of building materials, has reached agreement to acquire plasterboard and gypsum interests in West Germany, the Netherlands, Italy and Austria.

The deal subject to approval by the West German cartel office, has been made with shareholders in Intergrips Holding AG, a Swiss-based building materials company.

The Intergrips interests which operate principally under the name Right, have a turn-over of about £100m and in-clude the second largest gypsum company in West Germany.

The value of the offer has not been discloved nor has the way it will be financed. Com-pletition of the deal is expected in two months.

Placing values Thornton at £6m

By Alice Rawsthorn G. W. Thornton Holdings will

emerge as one of the rare new recruits to the stock market from the industrial sector wen it joins the Unlisted Securities Market next week through a placing of shares.

The company is based in Sheffield and is involved in precision forging for the aero-space, medical and mining space, mental and mining spheres. It began life as a cutlery producer, but diversi-fied out of this declining industry in the 1960s, first into serospace and then into

into aerospace and then into the medical field.

Until recently Thornton was a wholly owned subsidiary of Bramah, the privately-owned engineering group. It has been demerged, however, in order to develop autonomously and to go public thereby enabling it to embark upon acquisitions.
Thornton has increased both pre-tax profits and turn-

over consistently for the last five years and produced pre-tax profits of £650,000 o: turnover of £9m in the last financial year to September

For the future the company intends to expand its aerospace and medical activities both organically and by acquisition. It also plans to diversify its Tool and Steel Products subsidiary away from its core market, the coal mining industry, into other areas of precision

engineering. Thornton will 1.25m shares, or 28.4 per cent of its equity, in the placing through the stockbrokers, Laurence Prust. After the placing it will be valued at around £6m. The shares should be priced at between 130p and 145p, putting them on an historic p/e of 11.1 to 12.1. All the capital raised by the issue will be ploughed back into the company.

Yearlings

The interest rate for this week's issue of local authority bonds is 10; per cent, down fr of a percentage point from last week, and compares with 11; per cent a year ago. The bonds are issued at par and are redeemable on March 2

Post flotation tonic as Lee International doubles

Lee International almost £3.27m. The pre-tax figure was doubled its pre-tax profits from after interest charges down f2.3m to £4.23m in the six from £513.000 to £497.000. Tax months to November 30 1986, and the directors said the interim dividend of 1p net will part achieved since the company was able to take a slow year for British film production to the chiral standard of the paid.

results achieved since the com-pany's flotation last April, had been very encouraging.

The group—it manufactures and rents lighting equipment— said current trading was in line with directors' expectations. A broader base of activities had already been established with manufacturing substantially increasing its overall contribu-tion from £434,000 to £1.72m. Turnover from that division climbed from £5.04m to

Rental improved its turnover Rental improved its turnover fairly murky; but these results the shares, at 207p up 5p, seem from £9.04m to £11.4m, and seem wholesome enough to reasonably rated on a prospectudios was up from £1.94m to stand up to the harshest spottive p/e of 15.

Some £14m has been invested in acquisitions and improvements to premises, plant and machinery. The group will continue with the policy of improving facilities in order to main-tain its leading position in the market it serves.

on the chin, thanks to the strength of its TV and commercial work. Rental income looks solid in the UK and could grow faster overseas, manufacturing obviously has a lot more growth to show, and the prospect of more orders from the nascent Chinese TV industry and a ecomment growing market for architectural lighting provide the icing on the cake. For the full year, that the light that shone on Lee when it joined the market was hit £10m which seems to make

Independent Newspapers up 31%

bus and tram advertising in the

It expected worthwhile con-

tributions this year from its acquisitions last December of

Greater London and Essex Newspapers, with seven paid

Independent Newspapers, the Irish-based media group, yester- provements in its publishing pany said. day reported a 31 per cent rise and outdoor advertising con-in pre-tax profits to 126.05m cerns in the UK, France, West (£5.76m) for the year to Decem-ber 26, 1986, on turnover of taking a 76 per cent share of

Earnings per share were latter.

23.06p, up 58 per cent from last pear's post-bonus share issue adjusted figure of 14.6p. The directors recommended a final Greater dividend of 8p per share to give a rise in total dividend to 12p-Mr John Meagher, executive Edition La Boetie, which raised deputy chairman, said Independent's outdoor publicity faces in France to 16,000. of Irish companies confronted with a depressed domestic

The company reported im- of the balance sheet, the com-

This gave the funds to look for further acquisitions, Mr Meagher said. He mentioned a possible return to the US market through publishing or outdoor advertising and further expansion into the UK provin-

At home, there were no expansion plans. Talks with the unions on the replacement of the hot metal presses still in operation on its main titles in Dublin—The Irish Indepen-The completion of the sale of dent, Sunday Independent and of Irish companies controlled the completion of the sale of the companies of the compensation of the sale of the commercial radio interests the commercial radio interests the commercial radio interests the commercial radio interests the companies of the compani

Stonehill loss rises to £1.35m

Stonehill Holdings reported 21.61p (1.79p), sterim pre-tax losses much Mr Steinberg added that the interim pre-tax losses much increased from £58,000 to £1.35m and the interim dividend has been passed. Mr Phillip Steinberg, chairman, blamed the furniture makers' reorganisation which incurred exceptional resulted in a substantial loss of production,

Turnover for the company, which is based in north London, fell to £6m (£8.27m) in the 28 weeks to October 19 1986. The moving major plant, buying new loss per share came out at plant and equipment, reinstate- last time.

present order book was the highest for three years for the time of year and there was a high level of overtime being worked, "We look forward to the year 1987-88 confident that there will be a material improvement in our trading

results." The reorganisation included the closing of three factories,

goods warehouse.

The trading loss came out at £913,000, against a profit last time of £113,000. The comparatives originally were for 32 weeks to November 10 and have been restated for 28 weeks.

Depreciation took £183,000 (£171,000). There was a tax credit this time of £181,000, leaving the attributable 1500 at £1.17m compared with £58,000

This advertisement complies with the requirements of the Council of The Stock Exchange.



Trusthouse Forte PLC

£85,000,000 101/4 per cent. Notes Due 1992

41,225,000 Warrants to procure the subscription of Ordinary Shares of Trusthouse Forte PLC

> Issue price of the Notes with Warrants: 119 per cent. of the principal amount of the Notes

The following have agreed to subscribe or procure subscribers for the Notes and the Warrants:

Samuel Montagu & Co. Limited

Morgan Grenfeli & Co. Limited Union Bank of Switzerland (Securities) Limited

Swiss Bank Corporation International Limited

Morgan Guaranty Ltd

Algemene Bank Nederland N.V. **Banque Paribas Capital Markets Limited** Commerzbank Aktiengesellschaft Credit Suisse First Boston Limited Morgan Stanley International Shearson Lehman Brothers International

S.G. Warburg Securities Banque Bruxelles Lambert S.A.

Chase Investment Bank County NatWest Capital Markets Limited Deutsche Bank Capital Markets Limited J. Henry Schroder Wagg & Co. Limited Société Générale Yamaichi International (Europe) Limited

Application has been made to the Council of The Stock Exchange for the Notes and the Warrants to be admitted separately to the Official List.

Interest on the Notes will be payable annually in arrear commencing 10th March, 1988. Particulars relating to Trusthouse Forte PLC, the Notes and the Warrants are available in The Extel Statistical Service. Copies of the Listing Particulars may be obtained during usual business hours up to and including 27th February, 1987 from the Company Announcements Office of The Stock Exchange and, up to and including 11th March, 1987, from the addresses shown below:

25th February, 1987

Greenwell Montagu Securities.

This announcement appears as matter of record only



£681 million acquisition

of

Safeway Food Stores Limited

We initiated the transaction and acted as lead-advisers to Argyll Group PLC.

We also jointly underwrote a placing of £621 million of new Argyll equity

and

underwrote a loan and debt obligation facility of £100 million.



SAMUEL MONTAGU & CO. LIMITED

114 Old Broad Street, London EC2P 2HY Telephone: 01-588 6464 Telex: 887213

February 1987

US helps McAlpine reach £26m

Metal Bulletin up 21%

1986 NatWest Results

For outstanding results,

press for action

National Westminster Bank PLC Copies of the Annual Report and Accounts will be available from 31st March on application to the Secretary, 41 Lothbury, London, EC2P 28P

pre-tax with most of the im-

The directors said yesterday that McAlpine was continuing to expand and diversify and that they were hopeful all divi-sions would make further progress in the current year.

They pointed out, however, that because group activities were almost entirely confined to the UK and the eastern sea-board of the US, both subject

Continental & Industrial

Trust, an investment trust com-

pany recently taken over by fransAtlantic Insurance Hold

ings, itself an offshoot of Liberty Life Association of

Africa, had a net asset value of 868.2p per 25p share at December 31 1986 compared with 899.2p at May 31 1986.

Net revenue for the seven

amounted to £3.36m (£3.95m

for year to May 1986) after tax

end-December

Contl. & Ind.

compared to those for the full interests in 1985.

the US results from there would reflect the strength or weakness of the dollar against the pound. For the year to October 31 1986, group turnover pushed ahead from £383.08m to £480.4m. Tax took £226,000 less at £8.58m traditional profits from South and left net profits at £17.56m. and left net profits at £17.56m, Africa. against a previous £14.24m-

Directors said the bright spots included the continued buoyancy of Futures and Options World, the success of the Fast Track daily news ser-

programme.

for year to May 1986) after tax of £2.39m (£1.93m). Earnings totalled 19.68p (23.08p) per share.

Administration expenses of £1.47m (£459,000) included £275,000 bld defence costs

Turnover rose to £6.73m (£6.13m), giving pre-tax profits of £1.24m (£1,03m). Earnings per 10p came out at 9p (6.38p) and the directors are proposing a final payment of 3.15p (2.75p) making a total of 4.8p (4.25p).

Pre-tax profits

Post-tax profits

Total assets

*adjusted for the rights issue

Earnings per share*

Ordinary dividend per share*

gainst a previous £14.24m. They were confident in the There were minority credits group's US future and pointed

Accord purchase

Initial consideration will be a cash payment of £344,000 and

the issue to the joint vendors of 33,333 new ordinary shares in

Accord. A further payment of £56,000 will become payable in March 1988.

£1,011m

£621m

£83.3bn

£804m

£450m

17.9p

£72.6bn

Metal Bulletin reported a 21 The shares are traded on the per cent increase in pre-tax Unlisted Securities Market. profits or 1986 and the shares rose 16p to 136p. spots included the continued buoyancy of Futures and Options World, the success of the Fast Track daily news service and the continuation of the acquisition and diversification same area, for a total consideration of \$455,000 the laager connection. However

Alfred McAlpine, the conto severe winter conditions, the of £75,000 (debits £394,000) and out that since year-end Blytin struction, minerals and homes results in the first half of an extraordinary credit of Industries a medium-sized congroup, increased its 1985-86 future years were likely to be £14.85m which arose on the disstruction company, had been profits by £3.09m to £26.14m disproportionately small when posal of the South African acquired As a result, McAlpine's three main divisions were now year.

It was also noted that with the group's growing interests in dividend of 10.5p lifts the total

pits, concrete and contracting. Profits out of the US reached £4.23m in 1985-86, against £1.7m previously. At home, housebuilding (up to £6.5m from £4.6m) is beginning to show some style. Average selling prices are up as the company shifts its emphasis southwards and the quality of the land bank and divisional management has improved. Even minerals made up some of the £4m gap left by the departed South African coal mine, reaching £5.3m compared with £7.7m. With property also now in profit (£1.1m against a loss of £400,000), the group can look to solid progress across its four key sectors and may just reach £30m this year. The shares almost doubled from the 250p region following the severing of there is still some modest unside given that a prospective multiple of 9 on 514p looks to be a point short of full justice.

AAH steps out on the bid trail again

By Raigh Atkins

AAH Holdings, distributor of pharmaceutical supplies and fuel, yesterday announced an agreed offer worth £1.61m for Ayrton Saunders, an un-quoted wholesale pharceutical distributor.

Ayrton Saunders manufactures pharmaceutical products for home and export markets and trades as a wholesale chemist, mainly in the north west and Midlands. In the 53 weeks ending February 28 1986 it made a

February 28 1986 it made a loss before tax and extraordinary items of £85,600 on a
turnover of £25,38m. Net
assets were valued at £2,24m.
AAH, Britain's biggest
distributor of pharmaceutical
products, is offering Ayrton
Saunders shareholders either
shares or easil. Acceptances so
the convergent 58,5 per cent of
the convergent 58,5 per cent of far represent 58.5 per cent of voting shares.

AAH shares closed last night up 18p at 318p. In March 1985 AAH, which is based in Lincoln, acquired Vestric, 2 wholesaling sub-sidiary of Glazo, for £15m. Later that year it bought two contract manufacturers of soap and tolletries for £5.1m from IG Manufacturing.

BSR lifts stake in EIS to 50%

By Nikki Tait BSR INTERNATIONAL, the

Hong Kong-based electronics group, has increased its stake in Electronic Information Systems, a local marketing company for certain display and sign technologies, from 20 to 50 per cent. EIS was formed around 15

EIS was formed around lamonths ago, and the remaining 80 per cent of the shares were previously held by Energy Research Group, an Australian company quoted in Perth in which BSR itself holds around 4 per cent of the shares. EIS has the worldwide manufacturing and marketing rights to the ERG marketing rights to the ERG display technologies and other sign technologies. ERG will continue to hold the remaining 50 per cent of EIS.

BSR said yesterday that the increased state followed an

increased stake followed an agreement made when the company was set up. BSR itself, together with its wholly-owned subsidiary Astec International is transferring all rights to the patent applicaing, supply and marketing rights—of a technology which, it says, enhances the EIS liquid cell product ranges. the manufacturing, supply and world marketing rights to the liquid cell technology.

Bullers on target with profits rising to £0.86m

Products, yesterday reported pre-tax profits of £855,000 for the year to December 1986 compared with a restated £586,000

the year before. The figures are in line with the forecast made in December when Bullers acquired Ingram Fine Arts and its subsidiary, Piper Graphics. These com-panies have been included in the figures on a merger accounting £210,000 (£6,000). Interest payable came to £44,000 (£6,000). Interest payab

on the disposal of this business its investments. The directors losses for the year of £446,000. Operating profits rose from £551,000 to £639,000, but the gain was accelerated at the pre-tax level by the inclusion of

for Scotland of £260,000 (£41,000). Interest payable came

selective financial assistance from the Industry Department

BULLERS, the consumer pro-ducts group which have evolved out of the former AI Industrial maker, in June 1986. A write-off in trading profits resulting from

The directors are recommend-ing a final dividend of 1.5p as forecast, making 2p for the year

Bullers says that acquisitions and disposals during the year underlined its commitment to expansion in the high-value consumer products area. Further acquisitions are expected in the current year, particularly in the

Murray trusts show growth

After decreased tax charges of £3m (£3.4m), earnings per share worked through at 5.14p

a total of 5p (4.5p) for the year.

Total revenue before tax amounted to an unchanged £9m.

After decreased tax charges of the year to June 30 1987.

After decreased tax charges of the year to June 30 1987.

Total revenue before tax amounted to an unchanged £9m.

After decreased tax charges of the year to June 30 1987.

The directors said that major strategic moves for the year to June 30 1987.

After decreased tax charges of the directors said that major strategic moves for the year to June 30 1987.

The directors forecast that a final dividend of not less than 4p (3.6p) would be paid for the year to June 30 1987.

An interim of 2p (1.8p) was already paid.

The directors forecast that a final dividend of not less than 4p (3.6p) would be paid for the year to June 30 1987.

An interim of 2p (1.8p) was already paid.

The directors said that major bright in the short term. pany during the half year in-Trust America, the UK and the Far 2.99p.

Murray International Trust, reported net asset value per an investment trust, lifted net ordinary and B share up to asset value per 25p ordinary and B share up to asset value per 25p ordinary and B share up to been partly financed by in199.8p at December 31 1986,
216.7p in the year to December carlier. The directors forecast reduction in exposure to Eurothat a final dividend of not less pean markets.

They reported that the outlook for the UK market, which comprised about 80 per cent of the current portfolio, appeared

Revenue before tax came to pany during the half year in-cluded increased investment in £1m (£933,000), earnings per the equity markets of North share emerged up 0.49p at

United Packaging hits overseas

a higher-than-normal tax provi-sion in Zimbabwe, had the effect

Group pre-tax profit fel from \$\frac{5468,000}{5468,000}\$ to \$\frac{5407,000}{000}\$ on turnover that moved ahead from \$\frac{547m}{547m}\$ to \$\frac{55m}{5m}\$. Profit shown in the UK by this USM-quoted holding company for packaged 200ds moved ahead gliobile.

The premises in Curtain Road, London, has been sold and the consequent profit after day of \$\frac{5124,000}{5124,000}\$ had been shown as an extraordinary item.

sion in Zimbabwe, had the effect
of offsetting progress made in,
the UK by United Packaging in
the six months to October 31
and the growth in this activity
1986. would lead to improved margins.

TRADING problems in Bots- from £187,000 to £105,000 on from 5.49p last time. Earnings wans and Italy, coupled with turnover of £1.5m (£1.3m). per share for distribution in turnover of £1.5m (£1.3m). per share for distribution in The directors said that net the UK rose to 5.7p (8.96p). The interim payment was lifted 1.4p to 1.65p.

R. H. Moriey

holding company for packaged as an extraordinary item. respectively. Yesterday's Share goods moved ahead slightly Tax charges remained virtustrom £281,000 to £302,000 on ally unchanged at £214,000 after that Mr R. H. Morley had sold turnover up to £3.6m (£3.4m). which earnings per share shares and that the above trans-Overseas, however, profit fell worked through at 4.43p—down actions took place on Monday.

Wm Jackson profits doubled to £1.4m

William Jackson & Son, a profit of £2.8m on turnover of baker, meat processor and fl65m.
operator of discount stores and food markets, turned in pre-tax profit up from £772,000 to £1.4m and related companies conturnover down from £81m tributed £126,000 (£30,000). Into £78.9m for the six months to October 25 1986.

the results for the full year traordinary credits were down would show an increase over from £74,000 to £7,000. Earnthose for the year to April 26 ings per share worked through 1986 when Jackson reported at 37.6p (17.43p).

The directors expected that totalled £543,000 (£368,000). Ex-

prised surplus on sales of properties—£28,000 (£74,000) and closure and reorganisation costs--£33,000 (nil).

Bridon sale

Bridon is selling its Bridon for £400,000. The Runcorn-based company makes high perform-ance pultruded composite

JOHN D WOOD & CO.

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any shares.

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the share capital of the Company, issued and now being issued, in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be

Dealings in the shares of John D Wood & Co. PLC are expected to commence on 4th March, 1987.

JOHN D WOOD & CO. PLC

(Registered in England under the Companies Act 1985 No. 2058707)

Placing by

Baring Brothers & Co., Limited

of 2,305,000 Ordinary shares of 10p each at 144p per share payable in full on application

SHARE CAPITAL

Authorised

in Ordinary shares of 10p each

Issued and to be issued fully paid £770,500

The Ordinary shares now being placed will rank in full for all dividends hereafter declared or paid in respect of the Ordinary share capital of John D Wood & Co. PLC.

The Company is an estate agency specialising in residential and agricultural property with coverage extending over London and the South of England.

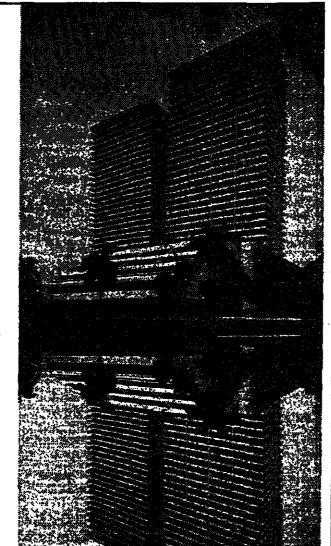
Phillips & Drew Limited, the broker to the issue, has placed 1,728,750 shares with its clients and 576,250 shares with Scrimgeour Vickers & Co. Limited for distribution to its clients.

Particulars of the Company are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays and Public Holidays excepted) up to and including 18th March, 1987 from:—

Baring Brothers & Co., Limited 8 Bishopsgate, London EC2N 4AE

Phillips & Drew Limited, 120 Moorgate, London EC2M 6XP

24th February, 1987.

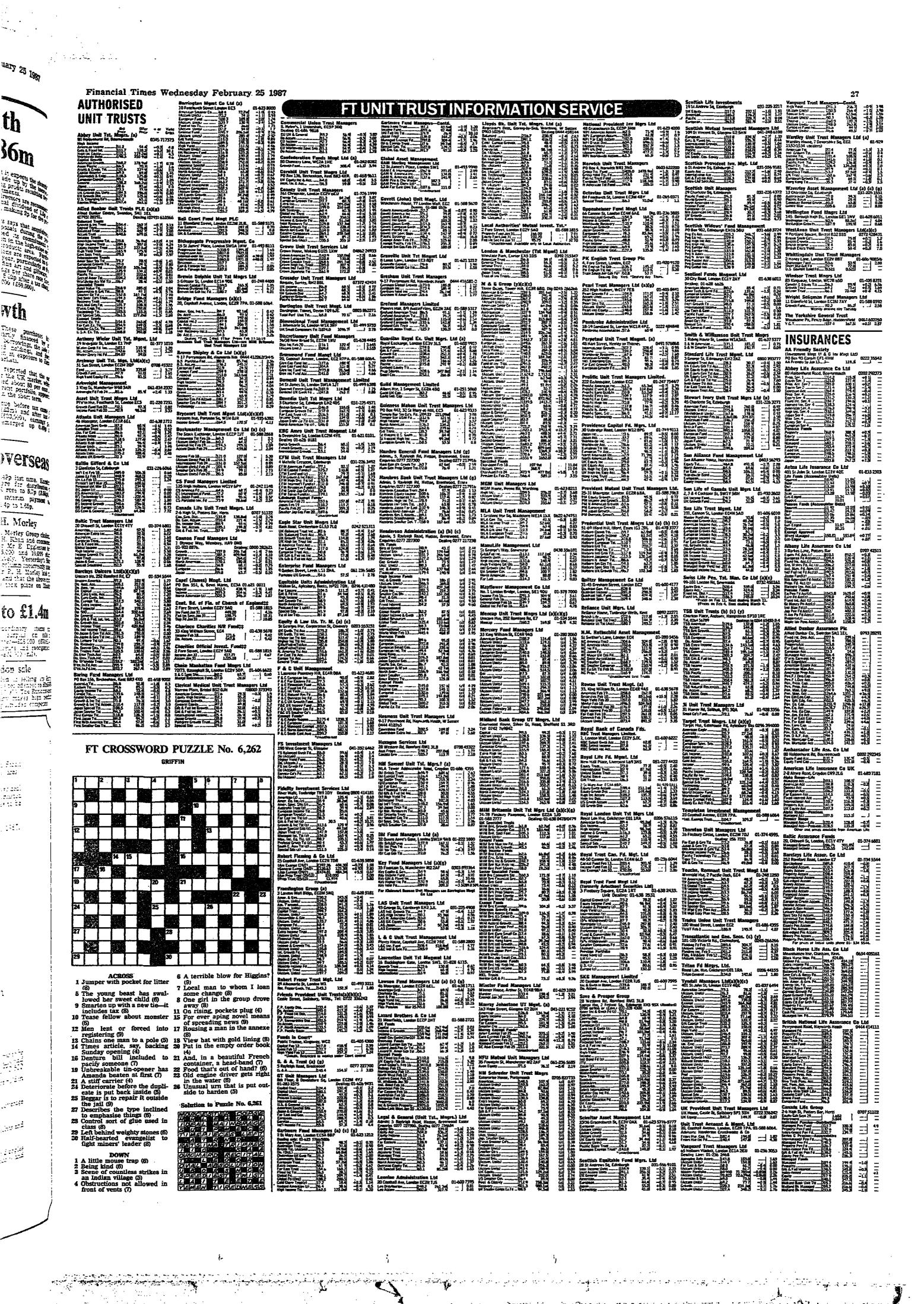


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NSUFANCE OVERSEAS MONEY FINDS

INSUFANCE OVERSEAS MONEY FINDS Financial Times Wednesday February 25 1987 Color of the state The state of the s

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High 125.45 126.70 127.60 127.80

Iron ore producer wins Japanese price deal

group, has made a breakthrough in iron ore price talks with Japanese steelmakers, following a joint appeal for mercy the

asked for a multilateral meeting to discuss the future of the
to influence the other signaing to discuss the future of the iron and steel industries, in a — Hamersley Iron, a subsidiary move which followed weeks of unsuccessful price negotiations.

A similar annual want to Europe to Europe and MBR of Brazil, and A similar appeal went to Euro-fer, the EEC steelmakers' representative body.

Yesterday, BHP said Mt Newman Iron Ore, its subsidiary, had agreed a 3 per cent price cut with the Japanese for deliveries for the year from

succeeded in limiting the cut considerably since the steel companies are believed to have been seeking reductions of 10

company made earlier this month in co-operation with four of the world's other leading ore exporters.

The big five ore companies. But BHP's deal is likely to influence the other signature. Sweden's LKAB. Mr Gordon Freeman, chief executive of BHP Iron Ore, said be expected the settlement to be seen as fair and reasonable by other

suppliers in Australia and else-Mr Freeman said the Japanese steel mills had rejected the

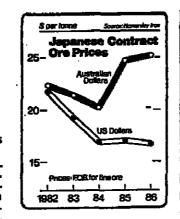
BHP, THE Australian mining tomers. However, they have pose, at least so far as BHP is

Mr Freeman said the Japanese had expressed their concern about the iron ore com-panies forming a cartel. He added: "It was never the intention of the iron ore companies to negotiate prices jointly and the opportunity was therefore taken to reach an early and mutually satisfactory settlement with the Japanese steel mills."

BHP said agreement was reached on Friday after "a short but intense" round of final meetings in Tokyo.

BHP expects Japanese iron ore imports, which account for about 35 per cent of the international market, to be over 100m tonnes over the next year—which would be some 20 per cent lever than in 1985 Crum April.

The producers had originally offer of a multilateral meeting hoped to hold prices unchanged. arguing that the decline of the US dollar, in which contracts are priced, had automatically cut prices for Japanese cus
steel miles had rejected the —which would be some 20 per cent lower than in 1985. Group executives believe the Australian share, which has fallen to about 43 per cent in the face of competition from Brazil and India, should recover to 48 per



Me other producers follow BHP, this will be the fourth year in the last five that Japanese steelmakers have secured price cuts. The iron ore producers have been squeezed by the contraction of steelmaking in industrialised countries combined with an increase in ore production capacity, including the development of CVRD's giant Carajas mine in northern Brazil. In Europe, steel company executives said there was never much chance that steelmakers, who were that steelmakers, who were suffering cuts, closures and losses of their own, would grant uncommercial favours to their

Australia

clears UK

uranium

By Maurice Samuelson

THE AUSTRALIAN GOVETA-

ment has for the first time

agreed to supply uranium for

Britain's nuclear power stations. In a deal which helps to

ensure uranium supplies to Britain almost to the end of the

century, 550,000 pounds a year will be transported to Britain between 1988 and 1998. The deal was signed subject to Government approval last month

between the Central Electricity Generating Board and Western Mining Corporation, which operates the big Olympic Dam

mining project in the Roxby Downs area of South Australia.

At that time uranium's spot price was \$16.65 a lb. The deal, which has now re-

to make no allowance for the fuel requirements of a new

Rio Algom of Ontario, Can-ada is the CEGB's other big

supplier, with a contract to deliver 20m lbs between 1982

Until the end of 1984, much

of the fuel for UK nuclear

power stations and British Nuclear Fuels came from Rio

Tinto-Zinc's Rossing mine in Namibla. At the end of 1985

the CEGB turned to the US

with orders for 7m lbs from two Texas mines for delivery

oxide, were discovered 10 years ago and have the poten-

tial to be developed as one of

the biggest mines in the world.

period from 1982 and 1992.

Sut it is bel

deal

MARKETS THE LONDON Metal Ex-change copper market con-tinued under pressure yester-

LONDON

day following news of the settlement of the three and a half month strike at Noranda's Horne smelter in Quebec. The cash Grade A quotation added £15 to Mon-day's £13 fall while the three months position closed £8.50 down at £915.75 a tonne. Other LME base metals also lost ground, notably alumin-ium, which fell another \$7 in the cash position to £852.50 a tonne. Dealers attributed the fall to further technical the fall to further technical retracement from the highs reached in the middle of last week. Lead prices fell in sympathy with the other meals and the cash position ended £5.50 lower at £293 a tonne. Meanwhile coffee futures continued their tentative recovery as traders remained mildly bullish about the prospects for a resumption of export quota controls, which is being discussed by producers and consumers this week at the International producers and consumers this week at the International Coffee Organisation's London headquarters. The rise ran out of steam in the afternoon, however, and the May position, which had registered a £39 gain at one stage, ended only £9.50 up on the day, LME prices supplied by Amalgamated Metal Trading.

AL

ALU	MINIL	JM		No. 2 Hard With OTHERS Cocoa Ft. May	£1325.5 }	=
	Unoffici close (p. £ per		High/Low	Coffee Ft. May Cotton A Ind." Gas Oil Apr. Rubber (kilo)	65,80c	+
Cash 3 months	852-3 842,5-3	├─7 ├─7,75	848,839	Sugar (raw) Wooltops 64s	422p klie	
Official	closing	(am): (ash 255-6	‡ Unquoted.	† Per 75-lb	fla

GRAINS

COFFEE

Against a steady New York close, the market opened quietly steady today finding light Commission House buying. Levels rose some £42 before encountering trade selling. With little incentive in a market looking for ICO news the market lost confidence and gave back all its gains to close some £3 higher on the day, reports Drexel Burnham Lambert.

Seles: 5,586 (3,889) lots of 5 tonnes. ICO indicator prices (US cents per pound) for February 23: Comp deily 1979 116.45 (112.68); 15-day average 114.90 (114.99).

1991-1295 —16.6 1200-1280 1225-1326 —14.0 1824-1329 1325-1354 —13.5 1863-1250 1377-1378 —13.5 1863-1250 1495-1403 —14.0 1414-1495 1495-1428 —17.0 1442-1425 1445-1449 —16.6 1465-1444

BARLEY

SUGAR

Sales: 4,185 (2,704) lots of 10

innes. ICCO Indicator prices (SDRs per tonne). Delity price for February 23: 1,578.46 (1,588.87); 10-day average for February 24: 1,552.58 (1,554.06).

May ... 117.55 +0.15 114.90 -0.88 May ... 118.90 +0.65 116.95 -0.70 July ... 121.05 +0.65 -0.80 98.90 +0.15 Nov. ... 101.85 - 207.00 98.90 +0.15 May ... 104.75 - 207.75 +0.19 May ... 104.75 -0.70 105.80 -

Business done—Wheet: March 117.70-7.25, May 119.20-8.50, July 121.40-0.80, Sept 99.90-9.50, Nov 102.00-1.80, Jan 104.85-4.70. Sales: 314 lots of 100 tonnes. Bartey: March 115.25-5.00, May 116.95 only. Sept 98.90 only, Nov 101.00 only, Jan 103.75 only. Seles: 32 lots of 100 tonnes.

LONDON GRAINS—Wheet: US dark northern spring No 1 15 per cant. Mar 101.25, April/May 98.50, June 97.50. US No 2 soft red winter Mar 102.50, July 9150, French 117-12 per cent. Jan 142.50. English feed fob Mar 120.25/121.00, April 121.00/121.50, April/June 122.00/123.00, Sept 100. Oct/Dec 104.50 buyers. Malze: US No 3 yellow/French transhipment east coapt feb 143.50. Barley: English feed fob Mar 121.00 seller. English 17.00/118.00, Paterhead April/June 121.00/122.50, English 121.00 seller. English Oct/Dec 104.00/106.00. Rest unquoted.

HGCA — Locationel ex-lem spot prices: feed wheat: S. East 115.30; N. West 115.00; W. Mids 115.90; N. West 115.00; W. Mids 115.90; N. West 115.00. The UK co-difficient for the week beginning Monday March 2 (based on HGCA calculations using 5 days exchange retes) is expected to change to 1.302.

GRAINS

COPPEN					
Grade A	Unoffic'i close	+ <u>or</u>	High/Low		
Cash 3 months	907-9 915,6-6	-15 -8,5	909/908.6 920/911		
Official closing (em): Cash 908-8.5 (934-4-5): three months 915.5-6 (933.5-4): sattlement 8.9.5 (934.5). Final Kerb Close: 916-7.					
Standard 872-4 — 15.5 — 3 months 892-4 — 7.5 —					
Official closing (am): Cash 872-3 (897-900); three months 891-3 (908-17); settlement 873 (900). US Producer prices 86.50-70 cents per pound. Total Turnover 42,925 toones.					

The deal, which has now re- ceived Australian Government clearance, is estimated to repre-				
sent about 18 months supply for all the Magnox and Advanced Gac-cooled Reactors (AGR)	Unofficial + or close (p.m.) - High/Low			
operated by the CEGB and the South of Scotland Electricity	Cash 292.4 -5.5 295/294 3 months 295.6 -4 298/295			
Board. The volume is considerably larger than had been expected when Mr Fred Bonner, the CEGB's former chairman, signed the deal in Australia on	Official closing (am): Cash 294.5-5 (301-1.5); three months 285.5-6.5 (300-0.5); extlement 285 (301:5). Final Kerb close: 285.5-8.5. Turnover 5,875 tonnes. US Spot: 24-27 cents per pound.			

to make he that the war	
fuel requirements of a new chain of pressurised water reat- tor (PWR) stations, should	Unofficial + or close (p.m.) - High/Low 2 per tonne
these be approved by the British Government in the next	Cash 2470-80 (+18,5 - 2485/2470
few months. The Australian contract was originally expected to involve 350,000 lbs a year, similar to the quantity the CEGB purchases from two mines in Texas. The CEGB was also said to be considering a similar-sized deal with one of Australia's two	Official closing (am): 2465-75 (2470-5): three months 2470-1 (2480-1): settlement 2475- (2675). Finel Kerts close: 2480-5, Turnover 758 tonnes. Kusia Lumpur Tim Market: Close 16.94 (15.98) ringgit per kg. Down 0.05 ringgit per kg.
other export mines.	High (Unofficial + or

High grade	iciosa (c	iai + o).m.) — er tonne	Highilow
Cash 3 months	481-2 473-4	<u></u>	482/476 475/459
(485-5.5); (479-80); (Kerb close	thrie ettlemer e: 474-l US Prim	month at 477.5 (4 5. Turns	cesh 477-7.5 is 489-9.5 485.5), Final over: 9,775 n: 38.50-44

Gold fell \$2 to \$4013-402 on the London builton market yesterday, after touching a low of \$339-393\footnote{1} in the afternoon. The metal recovered in late trading as the dollar showed signs of weakening. Gold opened at \$402-402\footnote{1} and \$393.30 in the afternoon, it rose to a peak of \$402\footnote{1}.

Close, \$4011 ₂ -402 Opening \$402-4021 ₂ M'n'g fbt \$401,95 Aft'n'n fix \$399,80	(£2601 ₂ .261) (£2611 ₄ .2613 ₄) (£260,583) (£269.117)
GOLD AND PLATE	UM COINS
Am Eagle 3413-418 Mepleled 3413-416 Krgir'nd. 84031-40614 1e Krug 32111g-2121g 1e Krug 31071e-1061a Angel 5408-431 1715 Angel 34012-451g New Sov 3961g-98 8 20 Eagle 3480-630 Noble Plat 5528-555	(£2684-2711g) (£2684-2704) (£268-264) (£2671g-158) (£664-701g) (£264-291g) (£524-63 (£524-634) (£3111g-3441g) (£343-5471g)

Final kerb close 362.4p.

August... October

US MARKETS

INDICES

Feb. 24 Feb. 23 Mith ago Year ago

1578,8 1586,4 1617,3 1809,8 (Bace: Saptember 18 19:01=100)

Dow! Feb. Feb. Mith Year Jones 25 20 ago ago

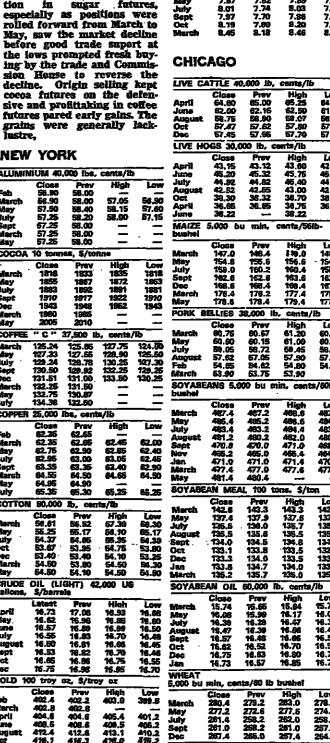
(Bese: December 31 1931 = 100)

MAIN PRICE CHANGES

Free Market......181890/410.--10 | \$1255/27

REUTERS

REPORTS that the US may
step-up actions agfainst South
Africa prompted speculative
shert-covering and Commis- sion House buying in
sion House buying in
platinum futures, reports
platinum futures, reports Drexel Burnham Lambert.
Toriv weakness from Commis-
sion House selling was re- versed after the trade emerged as a buyer at the
versed after the trade
emerged as a buyer at the
lows. Gold futures were weak
throughout the day as light
trade selling combined with
Commission House liquida-
tion depressed values in the
face of local buying and
profittaking. Silver futures
profittaking. Silver futures were quiet, but differentials
against the near March
deliver month natrowed.
against the near March deliver month natrowed. Early local selling in copper
futures depressed values
before late trade buying in
the near months (following
their earlier selling of for- ward positions) steaded the
ward positions) steaded the
market to the close. Heavy
C
Commission House selling in
erude oil futures touched-off
crude oil futures touched-off stops around the 1690 levels
crude oil futures touched-off steps around the 1690 levels as the market reacted to lower
crude oil futures touched-off steps around the 1690 levels as the market reacted to lower world oil prices trade buying emerged to slow the decline.
crude oil futures touched-off steps around the 1690 levels as the market reacted to lower world oil prices trade buying emerged to slow the decline.
crude oil futures touched-off stops around the 1690 levels as the market reacted to lower world oil prices trade buying emerged to slow the decline. Commission House liquida- tion in snear futures.
crude oil futures touched-off stops around the 1690 levels as the market reacted to lower world oil prices trade buying emerged to slow the decline. Commission House liquida- tion in snear futures.
crude oil futures touched-off steps around the 1690 levels as the market reacted to lower world oil prices trade buying emerged to slow the decline. Commission House liquida- tion in sugar futures, especially as positions were rolled forward from March to
crude oil futures touched-off stops around the 1690 levels as the market reacted to lower world oil prices trade buying emerged to slow the decline. Commission House liquida- tion in snear futures.

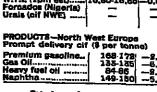


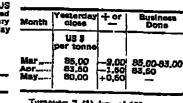
futures pared early gains. The grains were generally lack-lustre, **NEW YORK** Prev 1833 1867 1892 1917 1948 1985 2010 COFFEE " C " 37,500 lb, centa/lb 125.24 125.85 127.75 127.33 127.55 728.90 128.24 128.78 130.25 130.50 128.92 132.25 131.51 131.00 133.80 132.25 131.50 ---132.75 130.87 ---134.38 132.50 ---Prev High 62.65 62.65 62.95 62.85 63.00 63.05 63.35 63.40 64.90 64.65 64.90 65.25 COTTON 90,000 fb, cents/fb Prev 56.52 56.17 54.65 53.95 53.40 53.80 54.10 CRUDE OIL (LIGHT) 42,000 US gallons, S/barrale Latest 16,73 16,62 16,57 16,55 16,50 16,53 16,65 Prev High 17.08 16.93 16.96 16.99 16.89 16.99 18.83 14.70 16.81 16.06 16.85 16.75 16.96 16.75 GOLD 100 troy oz, \$/troy oz

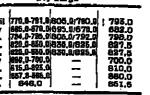
through the day and closed dull reports Lewis and Peet, Closing prices (buyers); Spot 61,000 (seme); March 61,759 (62,00p); April 61,759 (62,00p). Kuels Lumpur tob prices (Malayalan cents a kilo); RSS No 1 224.5 (225,0) and SMR 20 194.0 (197.0). FUTURES—Index 620, Merch 647-657 April/June 563-663, July/Sept 683-673. Sales: gif, The petroleum products markets fell sharply following the fall on the New York futures. April Brent traded heavily with prices falling to \$16.40 after opening deals at \$16.50. April WTI opened 23c down on Nymex and traded 35c down at 1.50 pm EDI—Petroleum Argus London.

SPOT PRICES—Chicago loose lard 14.50 (asma) cents per pound, Handy and Harman aliver bullion 545.5 (552.0) cents per troy ounce.









Prev 402.2 402.8 404.6 412.6 416.3 420.2 425.1 431.9 416.3 444.7

Y'stardy's Previous

416.5 423.5

415.0

GAS VIE FUTURES					
Month	Yestrdy's close	+ or	Busine		
	US 8 per tonne				
Apr May June July	134.75 136.00 135,20 135.78		187,50-34 188,58-35 187,25-35 185,75		

lower coconut crop

SRI LANKA'S Coconut Industries Ministry said this year's coconut crop would be 10 to 15 per cent below the previously forecast 2.8hn nuts because of dry weather.

Mr Dharmaseus Wijesinghe, Ministry Secretary, said rainfall in November and December had

Oil market slide continues

BY MAX WILKINSON CRUDE OIL prices came under renewed pressure yesterday as traders and oil companies assessed the latest efforts of Ministers from the Organisation of Petroleum Exporting Countries to main-tain discipline among mem-

on the New York Mercantile Exchange oil prices fell in early business as a result of heavy selling by so called "Wall Street refiners." By mid-day the price of light crude for May delivery had fallen 37 cents to \$16.60 per

barrel.
Traders reported a general pessimism and uncertainty as to whether Opec members would be able to resist cutting

US may offer

Moscow more

By Nancy Durine in Washington

half year's absence to buy

between 1 and 2m tonnes of

maize. Some traders see the

purchase as "a goodwill ges-ture" and an indication of more

business to come if the Ameri-

grain each year—4m wheat, 4m maize and 1m soyabeans.

Mr Michael Hall, executive

well once again offer Moscow

can price is right.

cheap grain

sistent shortfall of demand, while large stock levels continue to overhang the market.
In Europe, traders reported
that the market remained
weak although refiners had shown some renewed interest in buying at the recently depressed price levels.

prices in the face of a per-

The price of Brent crude was \$16.40 at the end of yesterday's trading compared with \$16.925 on Monday. Brent crude is now \$2.50 below its level at the beginning of the year after the December meeting of Opec in Geneva.

a day and to institute a fixed price system based on an average price of \$18 per

In the run-up to the Opec agreement, Brent blend was selling for around \$14.70. The seiling for around \$14.70. The price rose steeply after the meeting. Since then oil industry executives say Opec countries have been sticking to the fixed price structure. However, total production has exceeded the total envisaged in the contract of the countries have been sticked. in the agreement. As a result, some countries, notably Sandi Arabia and Nigeria have been finding difficulty in finding enough buyers to match their

Court rejects Tin Council

SOVIET AND US agricultural officials met for a second day in Washington yesterday for their regular semi-annual grain consultations, amid speculation that the US may once again offer the Soviets subsidised rain. Moscow last week un-residedly re-entered the

American grain market after a application

Under a long term grain agreement between the two superpowers, Moscow had pro-mised to buy 9m tonnes of US Until recently, however, the Soviets have maintained that they are not obliged to buy this year because US prices are too high.

subsidised grain, under the US export enhancement programme (EEP).
"They could pick up 8m tonnes of exports if they do," he said, adding it would be "a very savvy move" in the midwest with the Iowa Presidential caucuses 11 months away and Iowa, the largest maize pro-

That meeting ended with output quota at fixed prices which are now significantly an agreement to cut Opec production to 15.8m barrels

Maclaine should have the first pay its debts.

say at the hearing fixed for "There is some evidence that April 28, and that the ITC's form its defence to the

vice president of the National Corn Growers' Association, sald the Reagan Administration may

Maclaine has obtained an arbitration award and court judgment in respect of £6m owed it by the ITC. The com-

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT MACLAINE WATSON, a Lon- from English legal proceedings

The court yesterday rejected tion.

grounds for striking-out should

plea, and may appeal resulting authority and instruction of the maclaine protested at the manager had acted with manager had acted with approval, and on the more than the manager had acted with approval, and on the more than the manager had acted with authority and instruction of the manager had acted with approval, and on the more than the more than the manager had acted with approval, and on the manager had acted with approval in the manager had acted with a please had act would seriously prejudice it because the application could be deferred for more than a year.
On April 28 Maclaine will ask the court to appoint a receiver

move to postpone hearing

receivership claim, The ITC had proposed that Maclaime's application should be

of an ITC asset represented by its alleged right to claim contributions from, or be indemni-fied by, its 22 member states in

respect of its debts.

don Metal Exchange trader, has to enforce the award. See the first move to have the High court appoint a receiver of an asset of the insolvent International Tin Council.

The first transfer of the see that it is an international body created under treaty over which the court has no jurisdiction.

the ITC's suggestion that its During argument yesterday, application to strike-out Mr Mark Littman, QC, for Maclaine Watson's claim should Maclaine, said that there was no evidence that all the 22 ITC take priority.

Mr Justice Milett said that member states would refuse to

some have been willing to pay something," he told the judge. Mr Littman also said that Maclaine had fresh evidence showing that the ITC's buffer

Part of the evidence was in the form of reports of the House of Commons trade and industry committee; part was internal records and minutes of the ITC which had come into Maclaine's possession.

The judge, who ordered the two sides to exchange full details of their contentions within the next 28 days so that the legal issues could be formulated clearly, directed that Maclaine's fresh evidence—the relevance of which to the main issues he had queried—should not be read at the April hearing withpany contends that, under the of which to the main issues 1972 International Tin Council had queried—should not (Immunities and Privileges) read at the April hearing worder, the ITC is not immune out the court's permission.

EEC reform remains stalled

BY QUENTIN PEEL IN BRUSSELS

EEC AGRICULTURE Ministers yesterday failed to finalise the sweeping measures they agreed in principle last December to cut dairy production, in spite of an emergency meeting last-ing almost until dawn.

They managed to settle five of the six regulations necessary—including the rules for compensating farmers for the loss of production quotas—but failed on the crucial question of limit-ing guaranteed intervention purchases for dairy products. The inconclusive meeting means the Ministers will miss their self-imposed deadline of the end of the month to put the whole reform package in

place—and now run the risk of

the whole debate becoming bogged down in the annual

a fierce attack on the European dairy production quota cuts to Commission's proposals in the be imposed in 1987 and 1988, early hours of the morning. He but provides for compensation of Ecu 10 per 100 kgs of lost quota to be paid.

The Commission said this limiting dairy intervention, along with Mr Austin Deasy of

The West German Minister described the Commission's price package as "a declaration of war on the German Government" and promised to use "all political, legal and financial means" to ward off any discrimination against West German farmers, raising fears that Bonn might once again use its veto if the voting goes against

Monday's meeting, lesting season calculations were made until four in the morning, forced the Commission to back down. The only sop for the Commis-

should only be paid if farmers actually cut their production by the full amount of the quota cuts, and should not be paid if they exceeded their quotas and became liable to pay superlevy at the end of the dairy season. Several Ministers argued that this would impose a double penalty on dairy farmers, and forced through a compromise that compensation would be paid in the first quarter of 1988 to all farmers, before end-of-

WEEKLY METALS All prices as supplied by Metal Bulletin (last week's prices in brackets).

ANTIMONY: European free market. 99.6 per cent, \$ per tonne, in warehouse, 2,310-2,340 (2,300-2,340). (2,300-2,340).

BISMUTH: European free market, min. 99.99 per cent. \$ per lb, tonne lots in warehouse, 2,20-2,30 (same).

CADMIUM: European free market, min. 99.95 per cent. \$ per lb, in warehouse, ingots, 0.91-0.93 (same), sticks, 0.81-0.93 (same),

0.93 (same). COBALT: European free market, 99.5 per cent. \$ per lb, in warehouse, 6.15-6.25 (6.15-MERCURY: European free market, min. 99.99 per cent, \$ per flask, in warehouse, 179-189

(175-180). MOLYBDENUM: European free market, drummed molybdic oxide, \$ per lb Mo, in warehouse, 3.08-3.12 (same).
SELENIUM: European free
market, min. 99.5 per cent, \$
per lb, in warehouse, 4.00-4.80 (4.40-5.00).
TUNGSTEN ORE: European

free market, standard min, 65 per cent. S per tonne unit WO, cif. 39-46 (same). VANADIUM: European free market, min, 98 per cent V₂ O₄, other sources, 8 per lb V₂ O₄, cif 2.48-2.53 (same). URANIUM: Nuexco ex-change value, \$ per lb U, O, 16.65 (same).

between 1987 and 1997. The Canadian contract covers the South Australia's Roxby Downs, containing huge depo-sits of copper, gold and uranium

GOLD BULLION (fine ounce) Feb. 24

Silver was fixed 3p an ounce lower for spot delivery on the London builton market yesterday, at 353.3p. US cent agulvalents of the fixing levels were: apot 545c, down 2.8c; three-month 553.5c, down 2.8c; all-month 562.25c, down 2c; and 12-month 579.8c, down 3c. The metal opened at 354.355p (555.547c) and glosed at 354.355p (545-547c) (544-546c).

> + or LM.E. .353.30p -5.90 355.0p +0.5 .363.40p -5.95 365.0p -.371.05p -5.36 -.388.75p -3.50 -

Soyabean meal

RUBBER Sales: 160 (130) lote of 20 zonnes.

MEAT

Immediate buying interest and bullish sentiment saw values rise sharply triggering further stop loss buying. In good volume profit takers emerged below \$162.00 and the market closed nervously \$4.00 up on the day, reports Coley and Harpar.

Salea; 2,542 (1,358) lots of 40

POTATOES

MEAT COMMISSION - Average fat stock prices at representative markets; GB—Cattle 92.37p per kg ky (+0.59); GB Sheep 176.21p per kg est dcw (+3.99); GB—Pigs 75.54p per kg ky PUTURES — Live cattle: Feb 96.50. April 97.00. Pigs: Feb 96.00, April 86.00, June 96.80, Aug 94.90.

PHYSICALS—The London market money easier, met with little interest

April 170.8-781.8:805.6/780.9; 793.0 July 865.8-678.9:695.9:678.9; 682.0 Oct. 784.8-785.9:805.6/782.9; 798.0 Jan. 820.9-880.9:835.8[25.8] 627.5 Apr. 820.9-880.9:835.8[25.8] 627.5 July 898.8-700.9; 700.0 Oct. 615.8-825.9; 810.0 Jan. 857.8-865.0; 850.0 BFL 848.0; 651.5 naver: 378 (353). CAS ON FUTURES

Turnover: 5.920 (3.779) (ets. of 100

Sales: 4,196 (1,964) lors of 50 tonnes. Tate & Lyle delivery price for granulated basis sugar was £221.0 (£225.00) a tonne for export. HEAVY FUEL OIL International Sugar Agreement—(US cents per pound fob and atowed Caribbean ports). Prices for February 23: daily price 7.43 (7.17); 15-day average 7.37 (7.37). FREIGHT FUTURES Close | High/Low | Prev. Dry Cargo Turnover: 7 (1) lats of 100 tonnes. Sri Lanka predicts

dry weather.

been disappointing and were followed by a dry spell. Showers were expected in April and May, he said, but if the dry spell continued in these two months, coconut output next year would be further affected.

battle over farm prices. on its strict interpretation of sion was an agreement that if when compensation should be actual production did not appear to be coming down by notice that the farm price review will be acrimonious, with cludes a total of 9.5 per cent in tem would be reconsidered. Higher US futures limits proposed

including maize, wheat, soya-beans and cotton, reports Reuter from Washington.

The CFTC also proposed applying speculative limits to the CBT. exchanges' contracts rather than to specific commodities.

THE US Commodity Futures
Trading Commission (CFTC)
Trading Speculative
Trading Commission (CFTC)
Trading CFTC

modity Exchange.

The commission's decision to propose combining limits on the month and all-futures combined two exchanges was opposed by months, for maize, soyabeans the CBT. The commission proposal will and for No. 2 cotton on the New now be open to public comment York Cotton Exchange.

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

CONTROL OF THE PROPERTY OF THE

CONTROL STATE | STATE

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781 - 7- 7- 47-18 95558

EAVY FUEL OIL

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Dollar below best

THE DOLLAR held firm on the foreign exchanges yesterday, as Mr James Baker, US Treasury Secretary, and Mr Paul Volcker, chairman of the Federal Reserve Board, conbase rates is not welcome, offset a

menths ago. Sterling's exchange rate index finished at its highest closing level since mid-Septimber. Recent encouraging economic news supported the pound, which was seen as an attractive haven at a time of uncertainy about the dollar, and doubts about the prospects of further appreciation by the D-

£ IN NEW YORK					
Feb 24	Latest	Previous Close			
E Sport	1.5990-1.5400 0.58-0.55 pm 1.55-1.50 pm 5.20-5.10 pm	1.5385-1.5395 0.56-0.55 pm 1.53-1.50 pm 5.20-5.10 pm			
12 months 5.20-5.10 pm 5.20-5.10 pm Forward premisers and discounts apply to the U.S. dollar. STERLING PROEX					
	Esh	24 Demilyes			

9.00 am	Y R/	69.8	69.4
11.00 am		69.9	69.5
11.00 am		70.0	69.5
10.00 pm		70.0	69.5
2.00 pm		70.0	69.5
3.00 pm		70.0	69.7
4.00 pm		69.9	69.7
Fd. 24	Elande	Special	European
	Cathr	Drawing	Carrency
	%	Rights	Unit
Seeding U.S. Ooltar Cannilar S Anstrian Sch. Selglan Franc Danish Krone Denische Mark Reth. Guider Freeth Franc Lezhan Lez Lapanese Yen Normey Krone Steaking Peneta	58467 9 F 9 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0.82156 1.2627 16.2414 47.8041 8.70655 WA 2.606472 7.6632 1641.28 194.40 8.82153 162.515	0,729337 1,12427 1,49641 14,5470 42,8236 7,80077 2,06810 2,33624 6,88280 1469,99 173,026 7,90982- 144,975

124 FUR 0.2007	
C\$/SDR rate for Feb. 20; 1.67712	
CURRENCY MOVEMENT	S

February 24	Bank of England Index	Morgan Generality Changes %
Sterling U.S. Dellar Camadian Dollar Austrian Schtöling Belgian Franc Dautish Krone Deutsche fölark Swiss Franc Griffiler Freach Franc Lira Yen	69.9 104.1 78.6 138.9 100.5 93.7 147.9 170.5 135.1 72.1 48.5 209.0	-23.8 -29 -10.8 +10.5 -3.9 +4.3 +21.0 +34.6 -12.3 -15.3 +56.1

1975=100).

OTHER	CURRENCE	ES
Feb. 24	£	5
Argentina	2.1670-2.1760 2.3010-2.3040 27.2840-27.4390 7.025-07.0370 205.90-209.70 12.0065-12.0175 1311.00-1322.85 0.42680-0.42750 56.45-58.55 3.9670-3.9130 2.7625-2.7895 3.2750-5.7805 3.2750-5.7805 3.2750-5.7805 5.2750-5.7805 5.2750-5.7805 5.2750-5.7805 5.2750-5.7805 5.2750-5.7805 5.2750-5.7805	1.4076-1.4120 1.4935-1.4950 1.7.170-17.8056 4.5455-4.5675 133.90-136.20 7.7990-7.0810 72.50* 852.20-859.20 0.277.20-0.277 27.50-2.75 27.50-2.75 2.5380-2.5400 1.8045-1.8095 3.7500-3.7510 2.1410-2.1430 4.0815-4.2556 3.4.95-3.050 3.4.95-3.050 3.4.95-3.050 3.4.95-3.050 3.4.95-3.050

Yan per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100. **MONEY MARKETS** UK rates steady

INTEREST RATES were steady in London yesterday, following recent signals from the Bank of England that an early cut in UK clearing bank base rates will not be welcomed.

Three-month sterling interbank was unchanged at 10½-10½ per cent, and £48m bank bills in band 3 at 10½ per cent. In the afternoon anothr £279m bank bills were purchased outright, in band 2 at 10½ per cent. Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £305m, with Exchequer transactions absorbing £180m. These out-

remained encouraging, as dealers watched sterling's exchange rate index rise to the highest level since

UK clearing bank base lending rate 11 per cent since October 15

last September. This kept alive lingering hopes that base rates, might be cut ahead of the Budget on March 17, particularly if Friday's UK trade figures are good.

The Bank of England dealt with the dayled of the grade specific shortage. The Bank of England dealt with the day-to-day credit shortage through outright purchases of bills from the market, but the shortage was relatively modest and the dis-count houses had sufficient short dated bills to prevent any problem from reluctance to sell longer dated paper at present interven-tion rates.

Initially the authorities forecast a money market shortage of £400m, but this was revised to £450m at noon, and back to £400m in the Import Bank of Japan, and the afternoon. Total assistance of Japan Development Bank, to 5.5 per cent from 5.8 per cent. These measures are considered to be agreement reached

Before lunch the authorities part of the agreement reached bought fil21m bills outright, by way of f73m bank bills in band 2 at 1012 nations, in Paris at the weekend.

ary, and Mr Paul Voicker, chairman of the Federal Reserve Board, continued their testimony before US Congressional committees. It was shoped that further light might be thrown on the weekend meeting in Paris of the main industrial nations, where it was agreed to aim for currency stability.

Mr Baker aftempted to calm market fears about third world debt, following the recent news that Brazil is to suspend payments to foreign creditors. Mr Voicker said that pushing the dollar down as a solution to to US trade imbalance was rejected at the Paris meeting, and he warned that an excessive full in the value of the dollar was a potential channel for renewed inflation. There was some disappointment at the lack of fresh news in the comments by Mr Baker and Mr Voicker however, and the dollar fell back from IM 1,8300; to FF76.1050 from Ff76.025; to SF71.5500 from Ff76.025; to SF71.5500 from SF71.5460; and to Y153.70 from SF71.5460; and the US currency moved to Mr 1.8295 from Ff76.025; to SF71.5500 from SF71.5460; and to Y153.70 from SF71.5460; and the US currency was potential channel for renewed inflation.

There was some disappointment at the lack of fresh news in the comments by Mr Baker and Mr Voicker however, and the dollar fell back from Its highest levels,

104.1. STERLING—Trading range against the deliar in 1985-87 is	EMS EUROPE	-			-	Ot \$140U to \$1900			
1.5555 to 1.3700. January average 1.5071. Exchange rate index rose 0.2 to 69.3, compared with 71.3 six		Eco central rates	Currency amounts against Eco February 24	% change from central rate	% change adjusted for divergence	Divergence Hmit %			
menths ago. Sterling's exchange rate index finished at its highest closing level since mid-Septmber. Recent encouraging economic news supported the pound, which was seen as an attractive haven at a time of	Beigien Franc Danish Krone German D-Mark French Franc Dutch Guilder Irish Poot Italian Lira	6.90403 2.31943 0.768411	42,8236 7,80077 2,06810 6,88280 2,33624 0,774559 1469,99	+0.86 -0.65 +0.46 -0.31 +0.72 +0.80 -0.92	+0.86 -0.65 +0.46 -0.31 +0.72 +0.80 -0.92	± 1.5344 ± 1.6404 ± 1.0981 ± 1.3674 ± 1.5012 ± 1.6684 ± 4.0752			
uncertainty about the dollar, and	Changes are for Ecu, Arthorneut raiculated			notes a weak	currency.				

Feb. 24	Day's Spread	Close	One month	× ₽±	Three months	% pa
JS	1.5370-1,5440	1.5395-1.5405	0.58-0.55 c pm	4.40	1.55-1.50 pm	3.96
Sprede	20449-20517	2.0475-2.0485	0.62-0.53 c pro	3.37	1.56-1.41 pm	2.90
Vedriards	3.184-3.214	3.102-3.1912			44-34 pm	4,94
Selgiom	58.39-58.88	58.45-58.55	17-13 c om	3.08	39-33 pm	2.46
Department	10.621-20.74	10644-10654	מים בי מספינו	0.56	Lone 1's dis	-0.26
reizso	1.0600-1.0700		0.16-0.29 b ds		0.68-1.00 dis	-317
V. Germany .	2811-2844	2.82-2.83		637	41 ₂₋ 41 ₄ pm	6.19
سب ادوباتها	216.94-219.50	217.00-217.85	71-152 c de		322 437 ds	-6.98
place	197.88-199.61	197.90-198.15	12-13 t de		77-117 ds	-1.96
aly	2000-2019%	2007-2008			Spe-4 dis	0.40
DITEST	10.501-10.891-	10.834-10.844	2-31s are dis		1042-12 dis	-415
79.CP	9.371-9.4512	9.394-9.401	24-14 c pm		5-47.00	1.99
wędez	9.983-10.043	9-99-10-00	par-14 ore dis		2 4 64	-0.15
	2364-2371	2364-2374	14-14 y pa		31-31 per	6.12
ustria	19.83-20.01	19.83-19.86	10-87, ore per		27-243 ₄ pm	5.22
enizerismi	2.381 -2.401	2384-2394	1 ¹ 2-1 ¹ 4 է բա		37-35 pm	6.28

Belgian rate is for connectible francs. Financial franc 59.15-59.25, Six-month forward deflar 2.78-2.73 c pm 12-month 5.17-5.67c pm.

Feb. 24	Day's Spread	Clase	Cor comple	% ₽æ.	Three months	% pa.
UK†	1.5370-1.5440	1.5395-1.5405	0.58-0.55c pm	4,40	1.55-1.50 pm	3.96
Irelandt	14433-14540	1.4515-1.4525	0.90-0.84c on	7.20	248-253 pm	7.19
Canada	1.3290-1.3317	1.3320-1.3310	0.10-0.13: ds	-1.04	0.33-0.38 dis	-1.07
Netherlands .	20675-20855	20715-20725	0.16-0.13c pm	0.84	0.57-0.52 pm	1.05
Belglant	37.93-38.21	37.95-38.05	372-5c dis			
Demont	6.92-6.96	6927-692	1.90-2.800re dis			
W. Germany .	1.8300-1.8465	1.8335-1.8345	0.33-0.30pf par	2.05	1.06-1.03 pm	2.27
Pertugal	1411-1421	1424-142	200-150c dis	-10.56	350-420 dk	-10.85
Spain	128.50-129.45	128.75-128.85	60-70c dis	-6.05	190-210 ds	-620
Italy	1301-1311	13034-13034	332-45-lire dis	-3.67	8-15 dis	
Norway	7.00-7.06%	7.039-7.04	4.00-4.70are dis	-7.40	13,90-14,60ds	-6.09
France	6.094-6.144	6.204-6.204	0.80-1.05c dis	-1.81	2.80-3.10 dis	-1.93
Swyden	6.48-6.5112	6.481-6.491	250-280 are dis	-4.99	7.20-7.60 dis	-4.55
أ	153.55-154.05	155.65-153,75	0.26-0.23y pm		0.87-0.82 pm	. 220
Austria	12.924-12.98	12.942 12.95	1.60-1.20pro per	1.30	5.00-4.00 pm	
Seriozerland _	1.5470-1.5600	1.5495-1.5505	0.34-0.29c pm	2.0	0.99-0.94 pm	248

† UK and Instand are quested in US currency. Forward premions and discounts apply to the US deltar and no to the individual currency. Belalan rate is for conventible frams. Financial frams 39,40-38.50.

EURO-CURRENCY INTEREST RATES										
Feb. 24	Short term	7 Days' sotice	Core Month	Three Months	Six Months	One Year				
Sterling U.S. Doffer Can. Doffer Doffer Sw. Frate Deutschnark Fr. Franc Italian Lire 8. Fr. (Con.) Yen D. Krone Action S (Sinn.)	114-114 512-512 64-7 54-54 114-14 313-312 8-54 9-10 74-72 74-84 43-44 104-11	114-1112 64-64 74-75 54-55 55-57 33-4 64-85 94-104 74-8 44-45 104-1112	11-114 62-64 74-73 52-52 32-32 32-42 82-82 92-105 72-73 73-78 64-42 11-115	102-105 65-62 72-72 52-52 33-4 44-8 81-82 93-105 75-75 44-42 11-115	104-104 62-62 72-74 54-54 33-4 44-43 84-83 74-75 74-84 41-43 11-114	104-104 62-64 75-75 34-53 34-4 42-42 82-62 10-104 75-77 75-85 44-42 11-115				

Long-term Eurodollars: Two years 65-634 per cent; three years 7-74, per cent; four years 73-73 er cent; five years 73-734 per cent nombral. Short-term rates are call for US Dollars and Japanes

The second secon										
EXCHANGE CROSS RATES										
Feb. 24	٤	5	DM	YEN	F. Fr.	S Fr.	H FL	Lira	C S	B Fr.
E	1.	1.540	2.825	236.B	9.403	2,388	3.190	2008.	2.048	58.50
	0.649	1.	1.834	153.7	6.105	1,550	2.072	1304.	1.330	38.00
DM	0.354	0.545	1.	83.81	3.328	0,845	1.129	710.6	0.725	20 <i>7</i> 1
YEN	4.224	6.505	11.93	1000.	39.71	10.08	13.47	8479.	8.650	247.1
F Fr.	1.054	1.638	3.005	251.8	10.	2.539	3.993	2135.	2.178	62.22
S Fr.	0.419	0.645	1.183	99.16	3.938	1.	1.336	840.8	0.858	24.50
H FL I	0.313	0.483	0.886	74.22	2947	0.748	1	629.3	0.642	18.34
	0.498	0.767	1.407	117.9	4,684	1.189	1.589	1000.	1.020	29.14
C S	D.483	0.752	1.379	115.6	4.591	1.166	1.558	980.2	1.	28.56
B Fr.	1.709	2.632	4.829	404.7	16.07	4.081	5.453	3432.	3.501	100.

1305m, with Exchequer transactions absorbing £180m. These outweighed a fall in the note circulator adding £80m to liquidity and bank balances above target by

Close High Low 1.5375 1.5401 1.53 1.5255 1.5207 1.520 1.5120 — ed whiemer 104 (27) chay's open but 1,093 (—) FT LONDON INTERBANK FIXING (11.00 a.m. Feb. 24) 3 morehs U.S. dollars

MONEY RATES 6.51 6.66 6.73 7.00 7.19 7.49 7½ 7½-7 511 Uori — 6&

The average mid-market fixed rate for the remaining period of temporary facilities, provided by the Bank of England, was 1111 per 5.0 the Bank of England, was 1111 per cent.

In Tokyo Japanese long-term banks cut their prime rate to a record 5.5 per cent from 5.8 per cent, affective from February 28.

The 5.8 per cent rate has been in effect since January 28. Long-term banks are the Industrial Bank of Japan; Long-term Credit Bank of Japan; Long-term Credit Bank of Japan; and Nippon Credit Bank.

The cut in the prime rate followed a reduction of 0.3 per cent in the coupon rate on five-year bank debentures to 4.6 per cent.

The Japanese government is now expected to reduce the base lending rate of state-owned at institutions, such as the Exportion Interest Bank of Japan, and the of Japan Development Bank, to 5.5 grown Bark (Bay)

Tensory Bills (sell) one-month 101 per cent, three month of Japan Development Bank, to 5.5 grown Bark (Bay) are month 101 per cent, three month of Japan Development Bank, to 5.5 grown Bark (Bay) are month 101 per cent, three month of Japan Development Bank, to 5.5 grown Bark (Bay) are month 101 per cent, Local Authority and from the prime rate to a per cent, three month of Japan Development Bank to 5.5 grown Bark (Bay) are month 101 per cent, three month of Japan Development Bank, to 5.5 grown Bark (Bay) are month 101 per cent, three month of Japan Bark (Bay) are month 101 per cent, three month 102 per cent, three month 102 per cent, three month 103 per cent, three month 103 per cent, three month 104 per cent, three month 105 per cent, three month 106 per ce 10% 10%

Treasury Bill's (sell); one-month 10% per cent; three-months 10 % per cent; Bank Bill's (sell); one-month 10 % per cent; three months 10 % per cent to 30 (inclusive); 11.098 per cent to 30 (inclusive); 11.098 per cent tourses Base Rate 11 % per cent from February 1, 1987; Bank Deposit Rates for sums at seven days notice 4.35 4.375 per cent. Centificates of Tax Deposit Series 6: Deposit E100,000 and over held under one momth 9 per cent; one-lines months 9 per cent; three-sia months 9 % per cent; three-sia m

FINANCIAL FUTURES

Gilts close near low

LONG-TERM GILT futures fell back to close almost at the day's low on the London International Financial caresistance at 119-00 in early trading. Futures Exchange yesterday. Sentiment was buillish at the start of trading, with the market underpinday to a low of 118-08, and closed at need by recent UK economic news, and by the strength of sterling on the foreign exchanges. The tone was also set by Chicago overnight, where interest rate futures rallied in late trading. US Treasury bond futures received support from the weekend agreement in Paris, by the leading industrial nations, to stabilise the dollar. The outlook for inflation was also helped by falls in prices of grain and crude oil.

Long-term gilts for March delivery opened at 118-28, and tested technical caresistance at 118-28, and tested technical caresistance at 119-00 in early trading, the highest level for six months. The contract was boosted by the rise in sterling's exchange rate index to its highest level since September, received support from the weekend agreement in Paris, by the leading industrial nations, to stabilise the dollar. The outlook for inflation was also helped by falls in prices of grain and crude oil. confrontation with the central banks. The Bundesbank did not intervene yesterday, when the dollar was fixed at DM 1.8388, compared with DM 1.8279 on Monday. The dollar closed in Frankfurt at DM 1.8390, compared with DM 1.8295 on Monday.

Close High Low Prev. March 195.30 196.60 193.80 195.50 June 198.80 200.25 197.50 199.00

THREE-MONTH EUROPOLLAR Sim points of 190%

CURRENCY FUTURES

LIFFE-STERLING \$25,000 \$ per &

Latest High Law Prev 1-5380 1-5390 1-5350 1-5365 1-5245 1-5260 1-5215 1-5225 1-5135 1-5150 1-5100 1-5095

High Low 1,5401 1,5396 1,5207 1,5207

compared with 99-28 previously.

There were no US economic statistics for the market to digest, with January durable goods orders postponed, because of bad weather in Washington. The main economic news from Washingto Was further testimony before Co

FE LON	G GHLT	PUTURES	OFTION	5	LIFFE US	TREAS	DEA BOI	IB FUTO	RES OF	T1045	LIFFE	FT-SE 10	O JARPI	X FUT		_
Price Price 110 112 114 116 118 120 122 124 feated w	Calls- June 8.49 6.61 5.17 2.40 1.48 1.07 0.42 olame to	-Last Sept 	0.11 0.23 0.43 1.19 2.62 3.10 4.33 6.04 1,823 Pu	1.31 2.12 3.05 4.21 5.57 6.59 b 895	Striki Price 9 9 9 10 10 10 Estimat Previou	5 9 9 9 6 6 6 4 6 6 8 3 1 1 2 1 2 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	61 02 13 32 10 61 14 43	491 3 0 1,25 0 1,46 0 1,39 1 1,42 2 1,55 3	138 138 138 138 138 149 149 140 140 140 140 140 140 140 140 140 140	st Sept 129 203 250 3.43 4.46 5.59 7.16		May 18.0 15.7 13.5 11.3 0 9.5 0 7.7 0 6.2	7 2 7 1 6 1 3 1 3 1 4 1 5	1.59 9.26 7.01 4.85 2.81 1.01 9.16 7.58 Cath 1		April 0.29 0.46 0.71 1.05 1.51 2.21 2.86 3.78
FYE <i>LI</i> S 5,000 (c								L0HD01	SE L/S	OPTION	rs .					_
	Mar. 14.36	Calls—Las Apr. I	-	se Mar 16 0.01		May	June 0.01	Strike Price 1.35	Mar. 15.70	Calls- Apr.	-Last May	June 13.90	Mar. 0.25	Pats- Apr.	May May	Just 0.80

135 15.70 — 13.90 025 140 13.20 13.20 13.20 13.20 0.30 145 9.20 9.20 9.20 9.20 0.30 1.50 4.40 4.40 4.70 4.90 0.0 1.55 0.90 1.55 1.90 2.40 2.25 1.60 0.30 0.40 0.80 1.00 6.60 1.55 1.50 — 1.90 20.20 Previous day's open int. Calls 936 Pars 329 Volume: 34 Price (cars) per 137

Price Mar. Apr. May June Mar. 1,400 13.70 13.70 — 13.70 — 14.75 6.20 6.20 — 6.40 0.05 1.500 3.80 3.80 4.50 4.80 0.10 1.525 1.80 2.40 2.90 3.30 0.55 1.550 0.60 1.20 1.80 2.05 1.80 2.00 1.90 3.70 Previous day's open int: Calis 43,256 Puts 43,599 Previous day's open int: Calis 43,256 Puts 1,411 Strike Price 93.00 93.25 93.75 94.00 94.25 94.50 Previous Estimate LONDON CHICAGO

Close High Low Pres.
118-09 119-01 118-08 118-18
118-19 119-11 118-19 118-27
118-14 — 118-22
113-18 — 118-25
volume 27,671 (23,2841
by's open int. 18,550 (—) Low Pres. 100-21 100-21 199-25 190-21 199-25 198-23 98-23 97-07 96-30 96-16 96-03 94-16 95-03 94-16 95-25 92-17 Cluse High 100-18 — ed Volume 0 (0) March 100-18 — Estimated Volume () (6) Previous day's open Int. 66 (—) Close High Law Prev. 189,56 89,68 89,55 89,63 90,18 90,30 90,17 90,24 90,31 90,42 90,30 90,38 90,39 90,24 90,32 90,30 90,30 90,30 90,06 90,30 90,06 90,30 90,06 90,30 90

was further testimony before Congress by Mr Paul Volcker, chair man of he US Federal Reserve Board, and Mr James Baker, US Treasury Secretary.

Mr Volcker repeated his warnings about the danger of inflationary pressure from any further sharp decline in the value of the dollar.

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٦.	AKZD P AMEV C	F1.520 F1.500 F1.85 F1.1150 F1.150 F1.755 F1.855 F1.250 F1.250 F1.250 F1.250 F1.250 F1.250 F1.250	160	0.90 1.20	48 45 139 17	2.40 2.20	35	3.20 13.50A	ភា <i>ម</i> ្ពី 20
- }	AMEV P	F1.75 F1.85	449	3.40	28		35	1	FL85.10
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Bank of India 11
Bank of Scotland 12
Banque Setye Ltd 11
Barclays Bank 11
Beschmark Tet Ltd 11 Members of the Houses Committee. Houses Committee. "7-day deposits 6.69%. 1-month 7.03%.
Top Ties—E2,500+ at 3 months' notice 10.03%. At call when £10,000+ remains deposited. \$ Call deposits \$1,000 and over 64 % gross. § Mortgage base rate. § Demand deposit. 6.69%.
Mortgage 124,%. Beneficial Trest Ltd..... Berliner Bank AG..... Heritable & Gen. Tst...... 11 • HEI Samori...... C. Hoare & Co Brit. Bk. of Maid. East.... 11 Hongkong & Shangir' 11 Libyik Bank 11 Mase Westpar LEG 11

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National Australia 🚜 Bank Limited

(Incorporated with limited liability in the State of Victoria, Australia)

Yen 15,000,000,000 Step-up Coupon Notes due 1992

Issue Price 101% per cent.

The following have agreed to subscribe for the Notes:-

Nomura International Limited

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Barclays de Zoete Wedd Limited

Mitsubishi Finance International Limited

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List. The Notes will be issued in bearer form in the denomination of Yen 1,000,000 each. The Notes will bear interest as from 3rd March, 1987 payable annually in arrears on 3rd March at the rate for the first two years of 1 per cent. per annum and thereafter until maturity at the rate of 7.825 per cent. per annum.

Listing particulars relating to National Australia Bank Limited and the Notes are available through Extel Financial Limited and copies may be obtained during usual business hours up to and including 2nd March, 1987 from the Company Announcements Office of The Stock Exchange and up to and including 11th March, 1987 from:--

Nomura International Limited, Nomura House, 24 Monument Street. London EC3R 8AJ.

Rowe & Pitman Ltd... 1 Finsbury Avenue, London EC2M 2PA.

The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD.

25th February, 1987,

A CONTROL OF THE PROPERTY OF T

Have you got a few words to say to your Bank Manager?

RATHER SURPRISINGLY QUITE A FEW BANK MANAGERS HAVE MORE THAN A FEW WORDS TO SAY TO THEIR BANK MANAGERS ALSO! In banking jargon it is called CORRESPONDENT BANKING and the people who sell it are politely called "Bank Calling Officers." Nevertheless they are salesmen and their job is to sell the services and facilities of their own bank to other banks. As with any consumer, Industrial or commercial product, awareness of the corporation behind the product, and its management, is an essential ingredient in selling. Contacts and loyatives built up over many years can dissolve rapidly while why advertising in THE BANKER regularly informs and influences the international banking community far beyond the

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A Financial Times Survey THE NEW TOWNS The Financial Times proposes publish a Survey on the above Friday March 27 1987 For a full editorial symopsis and details of advertisment positions please contact: ANDREW WOOD on 91-248 8000 Extr 4129 FINANCIAL TIMES Europe's Business Newspaper "The content, size and publicatio dates of Surveys in the Pinancia Times are subject to change at the discretion of the Editor."

Financial Times Wednesday February 25 1987 1HDUSTRIALS—Continued
186.67
18 Low Stock Pres - Net Cwr.Grs.PE 1984

February 25,

NEW REPORTER PRINTERS OF THE STREET OF THE S

English Property

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Lewise Land Comments of the control of the control

The state of the s

Account Dealing Dates First Declara- Last Account

Feb 9 Feb 19 Feb 20 Mar 2 Feb 23 Mar 5 Mar 6 Mar 16 Mar 9 Mar 19 Mar 20 Mar 30 Mew time dealings may take place from 9.00 am two business days earlier.

A continuation of Monday's easier trend was reversed mid-way through the session yesterday and many blue chip issues closed with small net rises on balance. The absence of institutional selling encouraged equities to steady, and the main reason for the recovery was a port-folio buy programme. Two security were rumoured to have handled the deal and it was noticeable that one marketmaker was later outbidding competitors for a number of leading stocks.

Earlier the market had reacted unfavourably to concern over Opec's ability to police members' production and hold prices at around \$18 per barrel. Brazil's indefinite suspension of interest payments to com-mercial creditors and the so far negative response of international forex markets to last weekend's industrialised nations' currency pact were other adverse influences.

The recent encouraging forecasts on the economy from both the CBI and LBS were pushed aside until the Prime Minister spoke yesterday at the Institute of Directors' annual convention. She reasserted her wish for lower taxes and said "Britain's industrial base is now healthier than at any time for at least a

The statement helped to revive Wood Mackenzie forecast pre-liminary pre-tax profits in the region of £290m against £41.4m. Commercial Union, meanwhile, were volatile and during the resumption of the recent strong advance in values. Down 15.2 at 9.20 am, and showing fresh losses until 1.30 pm, the FT-SE 100 share index was pushed higher by a fir-mer Wall Street trend and closed

the day 7.1 up at 1946.8.

Glaxo responded strongly to a major US presentation, simulating the day of the day 7.1 up at 1946.8.

Shares, the price dipped to order rallying to close a couple of major US presentation, simulating the day of the the UK, at which ten new products between now and 1990 were announced. Wellcome also surged higher following a meeting with UK financial analysts and the possibility of a similar seminar in the US. A report that Hongkong entrepreneur Li Ka-Shing was sure Corporation closed at 130p, ready to launch a tender offer for after 131p, compared with the 30 per cent of Pearson shares caused the latter to comment " we have no reason to think there is any truth in the story whatsoever."

Another good performance by sterling—the rate improved further on both the dollar and the -drew European investors to Gilt-edged stocks. Most maturities made progress and the FT Government Securities index reached its highest point since early-September of last year.

Volume was slightly disappointing, however, and a leading grip Holdings acquisition to close trader commented that although only 6 cheaper on balance at 637p. market fundamentals remained Tarmac, down to 527p at one stage, good, domestic investors were subsequently edged forward and now showing a lack of zest. Many appeared to be content to await Among Timbers, Meyer Interpositive moves regarding UK national, a firm market of late on market fundamentals remained interest rates and others were even prepared to cash in the profits established during the recent interest rates and others were even prepared to cash in the profits established during the recent interest rates and others were expended for a softened for a even prepared to cash in the pro-fits established during the recent sustained run. In its latest view-point, Citicorp Scrimgeour Vick-Blue Circle firmed 5 to 693p; Ade-laide Steamship of Australia of Australia

Portfolio buy programme helps Equities regain early

losses and close higher on the day ers Securities suggests that Gilt yields are discounting events a long way ahead. NatWest make £1bn

	Feb.	Feb.	Feb.	Feb.	Feb.	Year	1986/87		Since Compilation		
	24	23	20	19	18	ago	High	Low	High	Low	
Government Secs	87.66	87.60	87.22	87.07	86.74	85.05	94.51. (18/4/86)	80.39 (20/1/86)	127.4 (9/1/35)	49.18	
fixed interest	93.26	19 3.18	93.40	93.58	93.46	89.67	97.68 (7/7/86)	86.55 (23/1/86)	105.4 (28/11/47)	50.53 (3/1/75)	
ednary ♥	1,559.2	1,556.9	1,567.0	1,542.5	1,555.0	1,264.2	1,567.0 (20/2/87)	1,094.3	1,567.0 (20/2/87)	49,4 (26/6/40)	
old Mines	308.2	313.7	300.9	288.2	293.0	336.3	357.8 (22/9/86)	185.7 (18/7/86)	734.7 (15/2/83)	43.5 (26/10/71)	
ord. Div. Y1eld	3.65	3.65	3.61	3.67	3.65	4.17					
arnings Yld.%(full)	8.52	8.57	8.50	8.63	8.59	9.98	In	dices	Feb. 23	Feb. 20	
/E Ratio (net) (*)	14.38	14.30	14.42	14.20	14.26	12.51	Gilt Edged	Bargains	166.4	1523	
EAO Bargains (5 pm)	44,104	53,082	50,884	52,817	63,092	_	Equity Barr	ains	436.6	466.4	
quity Turnover (£m)		1.401.01	1,567.11	1.838.53	1.741.76	933.21	Equity Values 5-Day Aven		2831.8	3167 <i>5</i>	
gulty Bargains	l –	67,380	71,976	76.243	75. Z 30	40,959	Gift Édged	Bargains	158.8	155.6	
bares Traded (ml)		588.3	664.3	668.4	687.7	392.3	Equity Barr Equity Valu	jakis 18	476.3 3261.7	470.0 3213.5	
	10 a.m. 1550.5		a.m. 46.3	Noon 1550.6		p.m. 553.8	2 p.m 1556.		p.m. 556.0	4 p.m. 1553.4	
Day's High 1559.6. Day's Low 1545.4 † Correction											

recently reduced its stake in the company to 6.85 per cent. Alfred McAlpine firmed 10 to 514p following the excellent annual results, while Anglo United added 3 to 45p in reply to press comment.
Speculative buying lifted Ben
Bailey 6 to 65p. Pelypipe, still
drawing strength from the good
results, rose 8 more to 231p.

Chemicals were featured by Laporte which gained 20 to 515p on the appointment of Dr D. M. Cresswell as an executive director, Dr Cresswell was formerly with Well-come. Yorkshire Chemicals firmed 7 to 230p awaiting today's pre-liminary results, while Hickson International gained 23 to 530p in a market short of stock ICI, annual results due tomorrow, were 1/3 dearer at £141/3.

An upgrading by Wood Macken-zie of Ratners' January '88 profits projections from £33m to £37m helped the shares close 5 higher at \$18p. Elsewhere in Stores, Miller and Santhouse soured 41 further to 275p on demand ahead of the interim figures scheduled for March 12, while speculative buying prompted improvements of around 12 in Combined English, 244p, Smallbone, 245p, and Wig-falls, 185p. Stormgard, on the other hand, relinquished 1½ to 12p, after 11½, in the wake of Jennifer d'Abo's resignation as a director. Leading Stores plotted an irregu-lar course. Burton, at 273p, retrieved 3 of the previous day's fall of 11 which followed a Press report that the DTI had not ruled out the possibility of an investiga-

a two-day advance of 95 to 490p on mic, while takeover hopes left further consideration of the excellent half-year figures.

Systems Designers rise

Systems Designers provided a firm feature in the Electrical sector, touching 100p before closing 18 higher at 95p on the announcement that British Aerospace had acquired a 15 per cent stake in the computer consultancy concern at around 100p per share. concern at around 100p per share. CAP, at 198p, and Legica, at 292p, jumped 5 and 22 respectively in sympathy. BAe closed 12 down at 661p. Synapse Computer moved up 11 to 248p and VG Instruments gained 16 to 471p. Atlantic Computer rose 27 to 435p and speculative support also helped Burgess Products rise 15 to 238p. Another heavy trade was transacted in Racal—17m shares changed hands vesterday which followed 34m on yesterday which followed 34m on Monday—as US investors continued to warm to the group's Vodaphone operations ahead of a forthcoming management visit to New York, the shares closed 1½ easier at 248p. British Telecom, however, helped by Traded Option

ting back to close 8 lower at 498p on profit-taking following comment on the preliminary figures. GKN gave up 6 at 339p and Hawker closed a few pence at 529p. Secondary issues, however, provided dary issues, nowever, provided several noteworthy gains. Press mention left Whessoe 14 to the good at 122p, while Braithwalte, still reflecting expansion hopes, advanced 7 more to 295p. Birmid Qualcast, up 8 further at 264p, continued to move ahead on the bid approach from Hepworth Cera-

Aliied Lyons (*372)

Grand Met. . (*485)

Trafalgar House (*3)8)

Jagoar (*611)

Midland Bi

BAT Inds (*543)

Ostion

300 80 85 330 50 60 360 27 40 390 16 25

24 17 11 7 28 22 16 12

90 108 47 70 18 45 6 25

700 80 94 114 750 48 70 90 800 24 48 62

43 --18

180 44 53 59 200 26 35 44 220 12% 21 28

460 36 55 70 500 19 37 47 550 6 18 27

1250 165 195 215 12 1300 120 155 180 20 1350 85 135 150 32 1400 60 100 120 60

180 31 35 41 1 200 16 23 28 5 220 6 12 17 19

330 33 40 50 2 7 360 14 25 35 12 17 390 2 10 20 35 40

1000 47 67 97 42 47 1050 23 45 72 75 78 1100 12 32 52 120 120 1150 5 20 35 170 170

260 64 72 82 1 2 280 44 52 62 3 6 300 26 37 49 7 14 330 11 23 34 24 29

700 80 100 125 4 15 25 750 55 65 78 25 35 50 800 25 37 50 55 65 70

155 175 190 105 125 145 60 93 115 18 60 85

63 85 102 28 50 70 13 30 45

72 40 17

550 75 85 - 7 600 42 57 72 27 650 22 33 47 60 700 10 17 27 100

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27 37 46 10 18 28 33 23 12 21 - 36

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35 21 10 40 27 16

63 70 44 51 24 32 14 21

Mar Jone Oct Mar June Oct

May Aug Dec May Aug Dec

May Aug Nov May Aug Nov

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8 13 30 35 65 65

17 — 38 45 70 75

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19 28 41

187₂ 22 111₂ 15 71₂ 10

88 63 38

105 2 85 3 68 11 47 29

72 90 — 5 — 41₂ — 50 68 — 14 31 45 22 32

68 73 77 1 3 48 55 61 4 10 27 35 42 15 18 14 22 31 35 38

0½ 3 8

4 10 15 25 32 37 68 70 73

activity, closed 3 higher at 247p,

Camford up 6 more at 137p. Speculative activity revived in Dewnibrae, 20 to the good at 85p, but profit-taking clipped 5 further from Laird Group at 327p. Chem-ring rose 25 to 615p in a limited

market, while TI closed 10 dearer

at 623p following news that the proposed acquisition of Armoo Inc, had received merger clear-ASDA-MFI attracted a flurry of buying interest ahead of an analysts' meeting and gained 9 to 168p, but other Food Retailers were rarely altered. Profit-taking clipped 7 from Tate and Lyle at 733p and 8 from Unigate at 357p. Hillsdown, still on the expansion

trail, shed a penny to 266p after 262p, while Ranks Hovis McDougall lost 6 at 314p. Avana mctongan tost o at 514p. Avana slipped 8 to 733p awaiting bid developments, while Rowntree Mackintosh eased 6 to 482p. Else-where, Iceland Frazen Foods attracter support at 315p, up 11, while Sidney C. Banks advanced 17

to 460p in a restricted market.

Among Hotels and Caterers,
Kennedy Brookes attracted support following a broker's lunch
and rose 16 to 312p, while London
Park Hotels moved up 15 more to The Engineering leaders were 678p, awaiting news of the bid inclined easier, with Vickers drif approach. Stakis added a couple of pence to 83p following Press

LONDON TRADED OPTIONS

Glaxo advance

PUTS

CALLS

88 - 58 77 33 48

20 33

45a 01a 37a 01a 21a 03a -- 112

1 3 1½ 6 7 13 22 25

53 59 35 41 25 28 16 22

62 72 47 57 33 43 20 27

150 — 1 102 120 2 60 77 8 37 52 23 18 30 67

180 205 3 145 170 10 115 140 18 95 125 40 65 110 80

88 98 1 64 74 3 42 50 10 24 34 28

395 420 2 350 575 2 300 340 2 265 300 5 230 255 10 185 215 20 150 185 45 120 140 70

351₂ 39 1 23 28;₂ 2 14 19;₂ 6 7 11 16

138 145 1 100 108 2 58 75 6 32 43 35

40 46 1 26 33 4 17 26 15

Feb. Mar. Apr. May. Feb. Mar. Apr. May.

11₂ 3 51₂ 12 21

200 68 71 - 1½ 220 48 52 55 2 240 28 36 40 2 255 12 22 25 6 280 4 11 15 17

73 87 48 63 32 43 17 26

75 40 17

117 135 80 100 52 72 25 47

460 123 500 83 550 38 600 13

180 33 200 16 220 7

H24500 (*165)

Thorn EMI (*578)

NEW HIGHS (161) MEW HIGHS (161)
BRITISH FUNDS (7), BUILDINGS (16),
CHEMICALS (7), STORES (8),
ELECTRICALS (12), ENGINEERING
(12), FOODS (6), HOTELS (1),
INDUSTRIALS (36), INSURANCE (2),
LEISURE (6), MOTORS (4),
NEWSPAPERS (2), PAPER (5), Prods., TRUSTS (1) India Fun

at £15%. Wellcome, the subject of share placing, but Rush and Tomp-Japanese and US support finished kins gained 14 to 275p on the at £15%. Wellcome, the subject of share placing, but Rush and Tomp-Japanese and US support finished 42 to the good at 482p in a volume of 42 to the good at 482p in a volume of 8.9m shares. Elsewhere in the miscellaneous industrials sector. AAH responded to the agreed offer for Ayrton Securities with a rise of 18 at 318p, while Low and Bonar, the latter's annual results are due and 150 to 150 at 318p, while Low and Bonar, the latter's a reflecting a Chase Manhattan on March 4 Securities buy recommendation, advanced 9 to 305p. Expansion hopes left Nash Industries up 15 further at 225p, while Highgate and Job were good again and closed a similar amount dearer at 275p. Speculative demand left J. H. Fen-Speculative demand left J. H. Fenner 15 to the good at 180p and Pearson dearer at 562p. Bullers gained 5 to 60p in response to the preliminary results, while Norcros hardened 6 more to 351p on the Bunzl stake. Satisfactory half-year results left United Packaging 312 highest 120p. Speculative harden higher at 120p. Speculative buying in a restricted market prompted a

sharp gain of 35 to 520p in Parker Knoll A, but US favourite Reuters were a dull market at 655p, down to sop. Picadilly Radio firmed 7 more to 70p. Elsewhere in the Leisurgores in the wake of acquisition news to close 15 higher tion news to close 15 higher at 301p. Lee International firmed 5 to on speculative buying while Brent Walker firmed 6 more to

385p on expansion hopes.
Lucas, interim results expected around the middle of next month. came under selling pressure and dipped 20 to 590p, but other Motor

Reflecting the London evening newspaper circulation war, Associated Newspapers dropped 30 to 498p and News International declined 12 to £24%. Elsewhere. Metal Bulletin rise 16 to 136p, while John Waddington revived with an improvement of 12 at 220p. Secondary issues provided the significant movements in the

Property sector. Marler Estates were outstanding at £10.4, up 1%, on news that the company is buying Queens Park Rangers Football Club for some £5.5m which is expected to lead to residential development of Glaze were actively traded (some Craven Cottage, Fulham FC's foot-**NEW HIGHS AND LOWS FOR 1986-87**

PROPERTY (13), SHOES (2), TEXTILES (1), TRUSTS (17), OILS (2), MINES (1).

ball ground, also owned by the company. Property development hopes continued to boost Senthenges continued to boost Senthenges continued to boost Senthenges continued to boost Senthenges Stadium, up 39 more at 486p, while Rosehaugh, still reflecting the Broadgate development, firmed 5 afresh to 725p. Trencher-wood settled 5 off at 533p following moving ahead on US and domestic buying to close 12 higher on the day at £15% Wellcome, the subject of share placing, but Rush and Tompattracted profit taking and dipped

Rothmans International jumped 12 to 231p on news of the proposed sale of its 50 per cent shareholding in Carling O'Reefe to Elders LXL for £97m.

Among Trusts, Edinburgh and Financial Trust fell 4 more to 47p after the figures and reorganisa-

Oils lower

The oil sector exhibited extreme nervousness over OPEC's ability to control output and therefore prices and leading oil shares came off sharply at the outset before staging a rally. At the close, BP showed a 4 gain at 727p, after an opening level of around 712p. Brirozzp.

Radio independents made fresh mendation by Greenwell Monprogress ahead of the Capital Radio launch. Radio City gained 19 to 83p, while Radio Cityde rose 5 to 85p. Picadilly Radio firms 7

response to news of the company's 207p following the good interim plan to raise 550m via a share issue results. Campari gained 8 to 149p on the Tokyo Stock Exchange. international

performance triggered another set-back throughout mining markets. Bullion dipped back below the crucial \$400 level and touched \$399.30 before steadying and closing a net \$2 off at \$401.75 an ounce. South African sectors were under pressure from the outset and retreated across the board before

Platinums moved against the general trend and Impala rose 53 to 834p as Continental operators switched out of Rustenburg. 20 down at 783p. "Johnnies." a major

price picked up.

player in South African platinum. moved up a point to £777/a UK-domiciled issues showed Consolidated Gold Fields 6 ahead at 758p but RTZ retreated 13 to 739p. Greenwich Resources, a strong market on Monday

staging a minor rally as the metal

thin market lifted Geever Tin 11 to A weak performance by over night domestic markets prompted a widespread decline throughout Australian issues.

4 to 189p. Elsewhere, buying in a

Traded Options

Of the 46.883 total number of traded option contracts completed yesterday, 33,680 were calls and 13,223 puts. British Gas again featured, recording 5,696 calls—1.762 in the April 70s' and 1,500 in the April 80s'. British Telecom were also popular, recording 4.534 calls and 1,522 puts. Over 1,300 calls were taken out in the May 2005 and 1.085 were done in the August 220s'.

Traditional Options

- First dealings Feb 16 Last dealings
- Last declaration
- May 28
 For Settlement

For rate indications see end of Unit Trust Service Call options were taken out in B.
Elliott, Smith and Nephew.
Hampton Trust, Kwik-Fit,
Southend Stadium, John Williams.
Botaprint, Hanson Trust, Cifer, Rotaprint, Hanson Trast, Cifer, Atlantic Resources, Cullens, Cluff Oil, Senior Engineering, Telemetrix, Camford, Silentnight, Ashley Industrial Trust, Polly Peck, Norfolk Capital, Buia Resources, Greenwich, Bassett, Burndene, Tranwood, Glanfield Lawrence, British Gas, Unigroup, Dinkie Heel H P Rulmer. Dinkie Heel. H. P. Bulmer, Rexmere, Parkdale, Condor Group and British Airways. Body Shop were dealt in for the put, while

TRADING VOLUME IN MAJOR STOCKS

	The following is ba	ised on tr			Alpha securities dealt until 6 pm.	through t	he SEAQ	Syste
9		Volume	Closing	Day's	-	. Volume	Closing	Day
5	Stock	5,000	price	change	Stock	COO's	price	cban
Ļ	ASDA-MFI	6,700	168	+9	Ladbroke	1,100	429	-5
5	Allied Lyons	2,700	372	-2	Land Securities	1,500	361	+3
3	Amstrad	5,500	166	+4	Legal & Gen	720	287	-4
1	Assoc. Brit. Foods	640	336 543	-1	Lioyds Bank	1,300 1,300	484 266	-3 +3
3	BAT	2,200 747	516	_ ₂	MEPC	564	362	+2
Ē	BET	1.700	462	+Ž	Marks & Spncr	5.300	207	-ī
_	BPB Inds	1.000	636	<u>-7</u>	Midland Bank	2,000	619	_
-	BPCC	1.000	318	+2	NatWest Bank	4,900	618	+1
	BTR	1,500	315	+4	Pearson	1,100	563	+13
	Barclays Bass	1,900 269	550 846	-2	P & 0 Pilkington Bros	611 920	618 743	+2 +2
•	Rascham	2,300	530	-3	Plessey	17 000	743 239	- 2
٠	BeechamBlue Circle	E7.3	693	+5	Prudential	313	923	-1
	Boots	3,000	287	+1	Racal	16,800	248	-14
	Boots	1,000	107	+12	Rank Org	293	650	+3
	DISL MEIU	12.00	658	-15	RHMReckitt & Col	1,600	314	-6
	BritL Gas	20,000	75%	-12	Reckitt & Col	26	£104	-3
	Britoil	9,100	167½ 727	-42 +4	Reed Intl	748	474 416	_,
ı	Brit. Telecom.	10,000	248	+4	Regiers	1,900 268	655	-101
i	Bunzi	-1,200	226 .	+1	Reuters	139	767	~io
1	Suptan	1 40n	273	+ī	RTZ	530	739	-13
Ì	Cable & Wire	2,800	382	-3	Rowntree Mac	676	482	-6
1	Cadbury Scheps		255	_a	Ryl Bok of Scotland.	671	320	- +9
1	Coats Vivella Comm. Union	830 5.515	578 347	-0	Royal Insurance.	1,200 701	998 229	+9 -1
1	Cons. Gold		758	+6	Saatchi & Saatchi	698	227 870	-B
1	Cooksan	190	566	+6	Sainsbury	.1.200	489	
ı	Courtavids	787	405	-2	Scott & Newcastle .	1,500	226	-2
ı	Dee Corp	1,400	245	-2	Sears	3,000	133	-12
	Dixors Grp	78400	374	+2	Sedgwick	3,500 3,300	314	_
1	English China Clays . Fisons	923 536	390 643	+21 ₂ -3	Shell Trans Smith & Nephew	3,500 2,600	£104	-Ig
Į	Gen. Accident	451	960	-10	Standard Chart	329	168 760	+3
i	Gen. Elect		218	-î~	Storehouse	1,400	290	+2
ì	Glazo	7.826	515%	+12	Sun Atliance	297	748	-7
ı	Globe Investment	90	148 ¹ 2	+12	TSB	7,300	78	_
ı	Granada	1,100	332	-1	Tarmac	414	529	-7
ı	Grand Met	3,300 216	486 £321 ₂	-7	Tesco	1,000	444	-1
1	Guardian R.E.	693	920	+ <u> </u> } -8	Thorn EMI	3,000	578 318	-2 +2
ı	EKN	2.100	339	-6	Thouse Forte	2,200	210	-3
1	GKN	3,300	307	_	Unigate Unilever	2,800	357	-B
١	Hanmerson Prop	363	495	+5	Unilever	439	524,2	
ı	Hanson Trust	8,800	164	-1	United Biscuits	2.400	278	-1
ı	Hawker Sidd	794	529 266	-2 -1	Wellcome	8,900	482	+42
1	Hillsdown Higs	2,900 1,300	£144	+l ₂	Whitbread 'A' Willis Faber	1,300 314	304 448	~6 ~5
ı	Imp. Cont. Gas	491	622	-3	Woolworth	1,600	761	-9
1	Jaguar	666	ស៊ា	-3 -3	***************************************	1,000	701	-7
ĺ	-			-				
ı	1	RISES	. AND	FAI	LS YESTERD	ΔV		
ł	'				Rises		_	
ĺ	British Funds				KISES 61	Fails 25	Sar	TIP 27

ritish Funds orporations, Dominion and Foreign Bonds industrials insocial and Properties ils is isiantations lines thers	Rises	Fails	Same
	61	25	27
	5		65
	484	513	541
	169	147	271
	14	44	54
	1	3	10
	24	77	81
	24	103	55
Totals	782	912	1104

LONDON RECENT ISSUES EQUITIES

90022	Paid	Rever	198	6/6/ -	Stock	Closing	+ 07	Net.	Times	Grass	P.E.
Pruse	8	Date	High	Low		Price	-	Dév.	Covis	Yleki	Ratio
ų ų	F.P.	30/1	8012	65	ěAvesco (Reg) lp	8015		L0.5		0.9	20.6
118		3/4	63	.37	#Border TV		-1	tg2.5		6.3	13.9
125	65		11912	104	British Airways	10712	+1	R6.0	2.4	5.0	9.5
₹110 ·	F.P.	20/3	133	123	Cale Group 10p	125		R4.5	26		108
§94	F.P.	67	121	107	#Gaynor Group 10p	121		L2.67			16.3
§29 .	F.P.	5/1	29	24	-¥Harmony Leisure 5ρ	29		10.1	124	0.5	
§70	F.P.	I —	87	80	4 Kewetson 10p	86	+2	R2.7	~ .	0.4	
§100	F.P.	14/1	121	68	Afternoy Group 5p	89		R3 195	54	5.1	10.5
Q128	F.P.	30/1	182	146	Hoskyns Group 50	182	+2	01.6	4.5		
§144	F.P.	23/1	164	1441,	MIL Research 5p	164	+2				
A102	F.P.		121		4 Mayborn Group 5p	118	-3	R3.0			15.9
150	75		78	75	Mezzanine Tst. inc.		_	R3.2		3.8	12.3
. 30	F.P.		53	50	Do. Capital 50p	77		at10.4		9.7	_
. 61	F.P.	i = 1	53	52	Mariterest	50	******	at10.4	- I	11.7	~
5100 l	F.P.		109	101	Barber Casab La	52				(- - 1	_
					Paritias French Inv. Tst.	107	-2	_	-1	_ 1	_
§120	F.P.		131	129	&Prism Lelsure Corp 10p		l	R4.26	2.25	46	12.2 .
\$100	F.P.	7/4	152	120	45zaders & Sidney Sp	149	+5	R4.26			17.3
1	F.P.		106	97	Scot, Inv. Tst. Warrants	100			1		
§130	F.P.	27/2	183	148	Viding Packaging 10p	183		m3 5	30	- I	77.7

FIXED INTEREST STOCKS

ksse Price	Arrount Palti	Latest Renunc	1986	·87	Stack	Closing	+ 0=			
£	LED	Date	High	Low		2	-			
101.61 \$100 15	88 E.E.	19/3 15/5	124 524 1004 1211 ₂ 0	100	Mid-Kert Water Bly's Red Pri. 1997 Mid-Sussex Water 11% Red Deb 2012-16 Nationande 1017% Bds. 15/2/88 P. & O. 6 & % Cnv. Red. Pri.	12 524 1004	-Z			
"RIGHTS" OFFERS										
	Amount Pald			86/7	Stock	Closing Price	+ 0*			
	==	Date	High	Low	<u> </u>	P	~			
310 170 175	ALL NII	163 34 183 275	78 pm 50pm 25 pm	40pm 35 ₂ pm	Bergess Products SCastron St. Ints. 20p	68pm 50pm 22pm	-2 +2 -2			
480 137	MB	27/3	93 pm 39 pm		Cookson 50p	78pm 38cm	+3			

Remarciation date assally last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates, d Dividend rate paid or payable on part of capital, cover based un dividend on full capital. g Assumed dividend and yield, h Assumed dividend and yield after scrip issue. F Forecast clythend cover on earnings undated by latest inserim statement. I Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and pie based on intest assume a earnings. R Forecast annualised dividends, cover and pie based on intest assume a earnings. Forms Figures 1 indicated dividends; cover relates to previous dividend; or eaths based on latest annual earnings. u Forecast, or estimated annualised dividend rate, over based on previous years's earnings. § Issued by tender. Il Offiered holders of archary shares as a "rights." Il Introduction. ** Issued by way of capitalisation. § Placing price. § Reinfroduced. **§ Issued in connection with reorganisation merger or talectors. **

Allotaneat price. § Unlighed Separation market. †† Official London Bistog. †† Including warrants entitlemen.

These indices are the joint compilation of the Einancial Tir the Institute of Actuaries and the Faculty of Actuaries

FT-ACTUARIES INDICES

As widely forecast, NatWest

vesterday became the first UK bank to break the £1bn profits bar-

rier, reporting annual pre-tax pro-

fits up 28 per cent to £1.01bn and a

better-than-expected 141/2 per cent

dividend increase. The shares rose to 628p in initial response to the news before drifting back gra-

shares to end the session only a penny dearer on balance at 618p. Sentiment among the other clear-ers was clouded by fears that the

suspension of interest payments by Brazil would likely to be followed

by similar moves in other Latin

American countries. Lloyds cheapened 3 to 484p and Middand closed unaltered at 618p, after 623p. Barclays, the next to report preliminary figures tomorrow—brokers forecast profits up by between 6 per cent and 8 per cent to about £300m—closed 2 down at 5500m. Elsewhere Meronry Inter-

550p. Elsewhere, Mercury Inter-national jumped 15 to 386p follow-

ing revived speculative buying dealers await further news regar-

ding the proposed flotation of Mer-cury Managed Fund. Guinness Peat found support at 96p, up 3, while Morgan Grenfell remained friend-

Buying in anticipation of tomorrow's annual results helped Royals revive and close 10 dearer at 999p;

course of a turnover of 51/2m shares, the price dipped to 340p

pence more to 975p on hopes of a bid from the TSB. Equity and Law, in which Mr Ron Brierley's IEP Securities holds a near-21 per cent

stake, reacted 4 to 351p on profit-taking.

Market newcomer Prism Lei-

placing price of 120p. British Air-

ways were 1p dearer at 1071/2p.

ways were 1p dearer at 107½p.

Breweries traded on a rather quiet note. Among the few movements worthy of note, Whitbread ended 6 lower at 304p following a recommendation by BZW to switch to Bass, which closed unaltered at 846p.

Dull initially, leading Buildings picked up quite smartly to close with only minor falls on balance.

BPB Industries reacted to 6280.

BPB Industries reacted to 626p, but rallied strongly on the Inter-

less at 391p, down 2.

	EQUITY & SUB-S				Tue	sday	Febr	uary 2	24 198	37	Mos Feb 23	Fri Feb 20	Thurs Feb 19	Year ago (approx.)
F	igures in parenthe stocks pe			of Indi		Day's ibange %	Est. Earnings Yield% (Max.)	Gross Div. Yieki% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Index No.	Index No.	index No.	Index No.
1	CAPITAL GOGD	S (208) .		837		0.2	7.60	3.15	16.66	1.40				
2 3	Building Materia Contracting, Cont	is (27) steuction	(28)	1011 1414		-0.6 -0.2	7.73 6.80	3.22 3.32	16.24 20.24		1018.00 1417.89		1015.92 1407.63	
4	Electricals (12)			1975		-0.2	7.63	3.97	16.83				1964.12	
5	Electronics (38)			1906		-0.1	7.78	2.19	16.97		1904.17		1821.02	
6 8	Mechanical Engil	neering (d L Forming	51) : (7)	475. 431.		-0.5 -0.4	8.46 8.41	3.51 3.45	15.10 14.45	0.76 0.00				373.09 300.10
9	Motors (15)		********	329.		.1.3	8.38	319	13.76	0.00				267,04
10 21	Other Industrial !				: -	6.8	6.29	3.85	18.99				1396.29	
22	CONSUMER GR Brewers and Dist	illers (22) 4)	(1147 1035		-0.7 -0.7	6.37 8.26	2.77 3.35	20.19 15.23		1139.34		1133.33 1051.24	
25	Food Manufactur	ring (25) .		856.	64 -	0.4	7.83	332	16.80	1.30			852.10	
26	Food Retailing ()					-0.5	5.93	2.60	23,44	9.65			2084.21	1855.03
27 29	Health and House Leisure (31)					-4.2 -0.4	3.97 6.59	1.59 3.61	29.18 19.99			2305.26	2228.81 1145.78	1447.09 870.76
31	Packaging & Pap Publishing & Prin	er (14)		575	15 -	-0.2	6.15	2.91	21.12		576.38			421.05
32	Publishing & Prin	nting (14)		3526		0.6	5.76	3.23	22.33				3614.87	
34 35	Stores (37) Textiles (17)			944. 679.		-0.1 -0.9	6.78 7.68	2.87 2.98	20.03	1.25 0.17	943.54 685.94			802.97 472.57
40	I OTHER GROUP!	5 (88)		973		0.5	7.95	3.44	15.59	1.67				767.46
41 42	Agencies (17)			1327.		-0.8	4.70	1.86	28.78		1337.54	1357.94	1344.61	0.0
43	Chemicals (21) Conglomerates (1	(3)		1290 1251		-0.8	6.88 7.00	3.27 3.49	17.70		1279.72 1251.76	1278.72 1260.94		857.22 0.0
45	Shipping and Tra Telephone Netwo	nsport (1	1)	1889.	20 +	-0.2	7.10	421	17.05	0.00		1906.69		1532.24
47 48	Telephone Netwo	orks (2)		982		1.1	9.52	3.92	14.33	1.09				887.31
49	Miscellaneous (2: INDUSTRIAL GI					0.3	9 <u>.23</u> 7.11	3.18 3.05	12.20 17.81			1322.97		973.97
51	Oil & Gas (18)					0.4	10.90	5.55	11.60	19.18		1034 <u>.21</u> 1593.91		788.63 1127.00
59	500 SHARE IND	EX (500))	1075		0.3	7.59	3.36	16.67	3.43				818.76
61	FINANCIAL GR							4.12		8.57	683.41		684.96	560.11
62 65	Banks (8)	····	***********	739.		0.1	17.17	4.97	7.99	0.69	740.76	753.20		
66	Insurance (Life) (Insurance (Comp	17)		975. 546.		0.6	_ :	3.98 3.97) =	0.00	981.15 547.09		975.25 544.43	821.62 457.20
67	Insurance (Broke	rs) (9)	****************	1187,		0.4	8.11	4.46	16.03	1.58			1186.45	
68	Merchant Banks	(11)		382.		11		3.00	}	0.02	378.73		376.29	326.08
69 70	Property (47) Other Financial (کان۔۔۔۔۔		878. 425.		0.5 0.4	5.46 7.55	3.35 3.59	23.84 16.92	0.75 1.47	873.41 426.91	881.54 428.14	877.34 424.10	737.39 331.12,
71	Investment Trust	s (96)		947,	_	0.2		2,45		2.12	945.85	955.87	952.81	690.19
81 91	Mining Finance C Overseas Traders	2)		370.		0.7	8.27	4.34	14.21	0.00	372.95	379.01	369.67	280.62
99	ALL-SHARE IN	LEY/727	<u></u>	867. 968.		0.4 0.3	9.30	5.17 3.47	13.06	10.04 2.73	863.80 965.86	877.33 974.35	862.66	652.92
	THE CIDENCE IN		,	Inde	-	Day's	Day's	Day's	Feb	Feb			960.83	743.92
	<u> </u>			No		латус Папре	High	Low	23	20 I	Feb 19	Feb 18	Feb 17	Year ago
	FT-SE 100 SHAI	RE INDE	X #	1946	.8 +	7.1	1946.9	1924.5	1939.7	1930.1	1952.0	1942.0	1925.8	1527.7
	FI	KED 1	INTE	REST				REDE	AGE GRI MPTION	YIELDS		Tues Feb 24	Mon Feb 23	Year ago (approx.)
	PRICE	Toes	Day's	Mon	xt ad	į. ad	adj.	Britis	ili Govern	ment years	ļ	8.60	B.64	9.43
	INDICES	Feb 24	change	Feb. 23	toda	, l	987	2 Coupo		years		9.46	9.46	9.79
_			%	2		. 140	cate j	3	25	years		9.47	9.47	9.80
,	British Covernment			300 40		Ι.		4 Medius 5 Couper		years		9.81 9.70	9.82 9.69	10.68 10.16
1	5 years	122.41		122.40	_	1		6 .	2			9.59	9.57	9.91
2	5-15 years	138.25		138.17	- -			7 High		years		9.86	9.85	19.79
3	Over 15 years	146.10		146.20	_	•		8 Couper	15 15 25			9.85 9.60	9.85 9.60	19.34 10.05
4	Irredeemables	160.68 135.41	+0.15	160.43	_		L28 1	0 Irrede		1	····· †	9.37	9.39	9.71
_5	All stocks	WAL	+0.02	135.38		+	2.12		Linked					
ا۔		110		,,,,,,		١.			rate 5%		yrs	2.68	2.75	426
	5 years	118.53	I .	118.39	_			ج : milat'i ۲ ا استاعه: ۱	rate 5% rate 10%	Over !)75	3.37	3.37	3.71
	Over 5 years	121.04	+0.30	120.92		- 1	₩! 1		rate 10%			0.99 3.20	1.05 3.21	3.19 3.54
8	All stocks	120.64	+0.10	120.52		_լ Մ	1.70 H	5 Peks 8		5 yea		10.57	10.64	11.41
9	Debentures & Loans	120,94	+0.32	120.56	_	1	.01 1	6 Leans		15 yea	rs	10.54	10.60	11.15
\rightarrow						—				25 yea		10.51	10.56	10.93
TO 1	Preferencei	83.84		84.08	_		<u>1 احم</u>	8 Prefer	ence		†l	11.20	11.17	12.18
1 0p	ening Index 1928.7;	10 am 19	731.2; 11	am 1925.	4; Noo	ก 1933	i.0; 1 pm	1937.6;	2 pm 194;	2.1; 3 pm	1943.5;	3.30 pm 1	940.6; 4	pm 1940.0

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 48Y, price 15p, by post 28p. Corrected Indices and Yields for Index-Linked and Debentures and Preference for 23.2.1987.

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IARKETS

			WORLD S	STO	CK MARKE
AUSTRIA Fab. 94 Price + or Sch. -	Feb. 24 Price + or	RWAY Fab. 24 Fab. 24 Fab. 24 Fab. 24	Price + or Aust. 5, Feb. 24	Prigs + or Yen -	CANADA
Credit 190 1,990 -5	AEG. 295 +0.5 Barg Allianz Vers 1,705 -5 CB Barg Allianz Vers 2,945 -0.5 CB Barger Nypos 450 +0.6 Elect Barg	Series S	1.4.4 Miraul Bank. Miraul Bank. Miraul Co. Miraul Bank. Miraul Bank. Miraul Co. Miraul Bank.	589 +180 +180	TORONTO Closing prices February 24 13759 AMCA Int
) Energ	y res 1-70 Jar Dien Estate,	2,000 ; -20]	0.2 -0.1	24 23 28 19 High Low 191.30 191.12 192.82 192.76 192.82 117.75 [25/2/87] (22/1)
Sinck Sales High Law Law (Hode) Continued from Page 2 PACE 122 75 76 PNC 152 10 964 48 474 42 47 47 47 47 47 47 47 47 47 47 47 47 47	Sinch Seies figh Low	State	### Cing 2Til. + 11. 3Til. + 12. 3Til. +	16 274 - 1-14 6 35 614 5614 - 14 225 2275 612 2275 - 14 60 11014 + 14 8 815 + 14 1172 22 + 14 115 22015 - 18 9 1104 + 14 115 2205 - 18	Metals & Minis 242.8 247.1 248 23 24 247.1 248 247.1 248 247.1 248 247.1 248 247.1 248 247.1 248 247.1 248 247.1 248 247.1 248 247.1 248 2
LONDON	Chief price changes (in pence unless otherwise indicate	Mercury Intl	+15 Wellcome 485 +16 Yorksh Chems 230 +41 FALLS: +25 Assoc News 49	2 +42 1 + 7	han bont up in the lace of a weak farm economy, fell \$221m in the quarter to \$1.85bn against \$2.6bn a year ago. "We currently expect North American retail demand for form

CAL	NA.	DA

				_						_													
Sales	Stock	High	Low	Close	Cling	Sales	Stack	l Sigh	Low	Class	Chag	Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Classe	Ctin
Ì	TO	RON	TΩ			500	Cara A 1	3912	94	93 ₈	-14	E89	H Bay Co	\$261 ₄	26	26¹₄		10200	Pamour	\$121 ₂	1212	1212	-1
	Closing pr			24	£	22131 13575	Carri OK Carma A	\$173 ₂ 16	176 ₈	173 ₀	-1	87012	Husky Oli	\$1114	1114	7114		5100	PanCan P	\$295	2912	2915	- 1
					•	4378	Celanese	\$183 ₈	18	1814		43020 72512	imasco Imp Oli A	5351 ₈ 5567 ₄	345g	35 553 ₂	+1	34400	Pegasus PJewi A 1	\$177 ₇ \$113 ₈	1714	1715 1116	+1
13759	AMCA Int Aberland	\$104 \$514	101 ₂ 490	1012	- 1 ₈	41900 2400	CentFd A Centri Tr	57 523's	23 's	5° 23° 3	+1	152880 2600	ince indal	\$20% \$15	195 ₁	553 ₈ 195 ₈ 147 ₈	+ 1	1420	Pine Point Placer D	\$9 \$367 ₆	9 361	9	
10795	Abitioi Pr	537	3612	514 37		606	Chieftan	\$10°a	1015	101	- 1	4266	Intend Gas	513%	13 🐪	131,	-4	13225	Poco Pel	\$13 ⁻	173	352g 127g	
4500 29380	Agnico E Atbria En	5287 ₄ 5161 ₈	285a	26 ⁷ e 16 ⁷ e	+1e	900 15237	CHUM B !	\$153 <u>.</u> \$163 ₂	1515 1614		+1	25830 7820	innopac Inter City	\$1314 \$175	18 17%	1312	-1. +1.	\$1125 \$023	Powr Cor I Precamb	\$163 ₄ 245	183 ₉	185 ₈	-1 +5
5100	Albria N	\$143,	145	145	-	700 5505	Сотрибод	\$517	51 ₂	517	-	6300	Inti Thom	5144	1378	14	•	5000	Provigo	\$2178	211,	215	-1
11205(500	Algo Cent	\$494g \$204g	49 20%	49 20%	- 12 + 18	2290	Comput in Comput in	315 78	78	310 78	-5 +4	2581 17370	intor Pipe ivaco A i	544 5163	435	433 <u>4</u> 161-	-14	2500	Que Sturg Que Tel	420 514'4	410 141	415	-5
1571	Algoma St	\$10%	19 ~	10%	-	14575 8300	Con Sath A		173 <u>.</u> 480	173 ₄ 475	- 1 <u>4</u>	500	Ivaco B	\$1834	1612	163	_	54050	Ranger	\$57 ₈	5	5	- 1
7700 14590	Asamera Alco I f	\$115g \$85g	1174 858	1112	- 18	14163	Cons Gas	\$27%	27%	271	TO	17688 1725	Jannock Kerr Add	\$38 5191 ₂	37 m	38 191,	+1	2725 13619	Rayrock f Redpath	\$81 ₈ \$141 ₇	111	8 1414	+1
1800	Atco 4	\$91,	918	914	~ 1ğ	2200 7950	Con Glass CTL Bank	\$23	2212	23 161,	+ 7	200	Klena Gld	\$35	2734	2734	-14	500	Regioni R	190	190°	190	
2300 500	BC Sugar A BGR A	\$ 5231 ₂ \$101 ₄	221 ₄	101	- 11	57244	CONVET B	\$161 ₂ \$12	12 -	12 -	+1	118973 41042	Labatt	\$239 ₄ \$361 ₈	23 ₈ 35 4	233 ₄ 361 ₈	+12	100 7545	Reitman A i Rio Alcom	\$271. \$223.		27\4 21%	-1 -3
10352	BP Canada	\$371	37	371	+36	794 3075	Corby C Falcon C	\$19 \$19	183 ₄ 187 ₈	183 ₄ 19	- 14	5650	Lacenz	590 ₁ 526	95 ₇	94, 25	_	306	Rogera A	521	203,	21	
200 88420	Bentster C Bx BCol	587 ₄	63 ₄	83 ₄	- 14	12600	Coseka R	73	70	70	+5	18535 242052	Laidlaw A Laidlaw B f	\$245 \$245	251 ₂	2414	-4	69758 30200	Rogers 8 f	\$164 \$141 ₂		181 ₂ 141 ₃	-1
54250	Bk Mond	SSS	341,	35	-14	4313 1400	Costava Ltd Crownx	\$13- ₁ \$23- ₁	131 ₂ 231 ₈	131,	-14	18580	Leigh Inst	\$512	24's 51,	512		6300	Pothman	\$60	56 °	60	+
	Bk NScot Bell Cen	\$187 ₆ \$431 ₂	181g 471g	183 <u>.</u> 413 <u>.</u>		36500	Crowns A 1		87a	235 10	- 14	46302 6309	Lobiaw Co	\$131g \$94	13 94	13 91,	-1	393425 24777	Royal Brok RyTrooA	\$347 ₅ \$33	335 ₉ 323,	341 ₄ 321 ₈	-1
58511	Bow Valy	\$164	16	16%	-14	14100 16752	Czar Res Denison A I	175	170	174	+3	24300	MICC	S10	10	10	-	80039	Royex	450	440	445	+5
5500 1700	Bratome Bramalas	130 S241 ₂	120 245	125 241,	-14	13852	Denison B		8 67s	512	-1	812 21930	MSR Ex Moten H X	225 \$194	200 191 ₂	225 191 ₂	+25 -1,	3044 8300	SHL Syst	\$29 \$231 ₂	28 ½ 23	283 ₄ 231 ₄	-1
100720	Brascan A	\$337	333	337		100 2019	Develoon Dicknan A 1	285 \$1074	285 105	285 109,	+ %	55300	McIn HY I	\$17%	1714	171	1 _B	9917	Sceptre	400 -	23 360	350	- 1
104253 1800	Brisweter Brenda M	5734 571 n	71 ₂ 7114	734 1178	+ 12	500	Dicknen 8	\$17	11.2	11 ~	-12	29550	Macmilan Macna A I	\$82 \$30	60% 29%	613 ₄	- 12	1 - No	voting rights	or r	estricte	ad vot	ina
11220	BC ForP	\$185	18%	183	- 1	26427	Dofasco	5247	2414	243 ₄ 131 ₂	- 1	2329	Mantime f	S163 ₈	1614	297 163	+14	rights	toong tig				•
32645 17405	BC Res BC Phone	103 \$285	101 281 ₂	101 281 ₂	- 1 _B		Dome Mine Dome Pele	\$135 ₈ 120	133 ₆	117	- 1 ₃	7890 12800	Mind Res Mitel Corp	335 581a	315 8	315 A	~25 - ხ	ĺ					
500	Brunswk	\$1214	124	121	-8	3157 93723	D Testle	\$183,	1872	183,		900	Molfat	\$151	15%	151 ₈	- 14						
22652	CAE CCL B !	\$117g 3143g	113 ₄	113 ₄ 141 ₄	- 14	3504	Donobue	\$445	42°-	431 ₂ 341 ₂	- 31 ₂	15310 560	Moison A f	\$27 \$27½	26 271 ₉	26 Z71,	-54						
40400	CIL	\$261	25	28	-16	2230 30680	Du Pont A	\$4512	441	443/	_	16	Monaco A t	400	400	400							
4250 24700	Cad Frv Cambridg	\$32° ₆ \$26	371 ₂ 251 ₈	32½ 26	-35	35319	Oylex A Echo Bay	\$153 ₆ \$375 ₈	151	155 373	+ 1 ₈ + 5 ₈	2100 77825	M Trusco Moore	\$15% \$32	153g 3114	15³8 32	+34	ŀ	MON	TR	FAT		
16415	Camp Ruk	\$31 l ₈	30'5	374	+ 4	600	Emeo	\$151	151	151	_	2600	Murahy	\$23	2214	2212	-3,	ر ا					,
17005 3260	Camp Res Camp Soup	190 - 522	185 21	190 22	+2 + 74	7000 2720	Equity Svr FCA inti	\$5½ \$190,	514 191 ₂	5% 193	+14	189889	NaiBk Can Nt Vg Troo	\$161 ₂ 5231 ₄	151 ₂ 231 ₂	16 231 ₂	-14	۱ ،	losing pri	CGR LE	orua	ry za	
4050	Campeau I	\$24%	24	24	- Ç	81208	Flenbrdg	\$19	187	187	- 1	5400	NR CapA f	\$111	11 -	111	+1	336510	Bank Mont	\$351 ₂	34%	35	_
1081 51383	CCem ex p	\$1512 \$916	153g 83g	15% 9	- 4	6522 1000	Fed Ind A Fed Plan	\$181 ₄ \$125 ₄	18 121 ₂	18 T		2000 149040	Nfid LP A Noranda	\$199 ₃ \$271 ₃	191 ₂ 261 ₂	193 ₄ 263	-18 -17	20730	BombrdrA	\$711	21 -	214	
12400	Can Melt	\$2012	2018	2018	-30	4700	FCdy Fin	\$1514	15 ~	15	t _a	93819	Norcen	\$203	20 -	201	-	61392 1550	BombrdrB CB Pak	\$211 ₂ \$213 ₄		213g 215g	
24124 3050	C Nor West		1638	163	- 1	15658 10100	Gendalf Geac Comp	\$113 ₈ 165	11% 150	1114	+ 16 -5	17549 8274	Norch and 1 NC Oils	\$161 ₄ \$117 ₄	18 113,	18 113,	-18 -18	42677	Cascades	S14	135	14	
1300	C Packrs CS Pets 1	\$16 \$51	153 <u>.</u> 5	16 5%		5500	Gendis A	\$20	191	197	+5	26279	Nor Tel	\$561 ₂	55	557	-36	12205 46250	CIL ConBath	\$281 ₄ \$181 ₄		28 18	-3
1554	Can Trust	\$60 \$26	58	60 245	-%	60 1950	Glant Yk Gibriter	\$184 \$94	181. 918	181, 91,	-	49800	Northgat Nva AliA f	581 ₈ 581	734 8	814	+3	4637	DomTxtA	\$187	181	185,	-3
4150 614848	Coln GE Cl Bk Com	\$214	23 27 %	215	+ 1% + 1 ₈	12601	Goldcorp f	587g	85g 163g	82g	+ %	14856	Nowsco W	\$15	143	147	~14	8520	Mn(Trat S Nat8k Cda	\$153g		15% 15%	-3
43620	G Marconi	S22%	2714	224	+114	401 6400	Grafton A f	\$163		163,	+%	15828 18850	Nu West	40	39	39	-1	14222		\$161 ₂ \$131 ₂		1312	+1
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W YORK-DOW JOHES							Feb.	Feb. 25	1 ; Fsb. 20	Feb. 19	. High	986/87 Low					
	7eb 24	Feb 23	Feb. 20	20 19 18 17		High	1988/87 High Low		Low	AUSTRALIA Ali Ord. (1/1/80) Metajs & Mnis. (1/1/80)	! 1697.9 767.7	1606,3 778.0	1606.8 778.8	1589.6 766.6	7605,5(25/2/87) 788,0 \28,1/87)		
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ori	839.44	938.85		ĺ	1		(16/2/67)	(\$/1/86)	953.9 (16/2/67)		BELGIUM Brussois SE (1/1/84)	4142,44	4141.90	4155,63	4172,15	4168,57 18/2/67	2765,91(15/1/
*	228.58	226.4)					1 '		227. 83 (22/1/0)	19.5 (8/4/32)	DENMARK Copenhagen SE(5/1/85/)	(u)	(u)	206,56	207.97	250,76 (18/4)	186,28 (11/1
wal		179.45e	175.75m			187,82	Щ.	-	-	<u> </u>	FINLAND Unites Gent (1975)	458,1	458.8	452,7	(u)	482_1 (13/1/67)	258.5 (2/1/8
			Feb 20		Ц	Feb 13	Feb 6	'	fear Ago (Approx)		FRANCE CAC General (\$1/12/82) Ind 's endance (\$1/12/88)	421.5 108.1	421.1 185.5	419.7 205.8	416.7 164.8	425.7 (28/1/87) 108.4 (27/1/87)	i 267.8 (2/1/8 97.8 (2/1/8
	490] 1.60			3.98	3.67	3.67 3.		<u>-</u>	GERMANY FAZ Aktien (51/12/68)	587,85	589,95	578,84	501.19	755.88 (17.4)	558,83/5/2/87
-	Feb	Fale	Feeb	Feb	Falc	Feb	198	7	Since Complisation		HONG KONG Hang Seng Bank(51/7/84)	1716.0 2948.19	1724,2 2879,01	1747,2 2827,40	1755,9 2775,81	2278,8 (17,4)	1677_6(5/2/87 1659_94 (19.5
ists	329.78	23 328.15	20	19 373.67	18 324.28	17 324.72	High 324.72	224.48	High 324.72	1.62	ITALY Banca Comm. Ital,(1972	692,43	891,47	687,68	880.83	988,20 (20/6)	454,87(24/1/8
	202.84	282.34	295.AL	285.57	285.42	255.40	17/2/87) 285.57 19/2/87)	(22/1) 283,49 (22/1)	285.57	4.40	JAPAN ⁴⁸ Nikkei (18/5/49) Tokyo 8E New (4/1)88)	26076.5	19940,5 1729,46	20880,4 1752,27	20229.1 1762,67	20228,1(18/2/87 1765,55(24/2/87	12991,9(21/1/8 1025,85(21/1/8
-		<u> </u>	 	. Jan 28	-	 Jan 21:	- 1 4		Year Age ((Append)	NETHERLANDS ANP.CPS General (1878 ANP.CBS Indust (1879)	282,7 258,5	253,7 250,5	263,5 249,8	285.2 248.5	301,0 (5,9) 303,9 (18/6)	240.4 3/3 254.8 (5/3
yield % E Ratio			2.68 18.67		Τ,	2.75 19.34	2.61 18.63		3.44 14.84		NORWAY Oslo SE (4/1/85)	236,11	384 <u>,6</u> 9	88,788	582.85	402,91(15/1/86)	551 <u>.</u> 67 (4:8
ry Bond Yield					SINGAPORE Straits Times (80, 2/85)	1058,0	1082,10	1051,95	1046,82	1062, 10(28/2/87	585,84 (28/4						
AL COMMON			1987					Feb :	Feb Feb		SOUTH AFRICA JSE Gold (28/9/78) JSE Indust (28/9/78)	! = :	1694_0 7579_0	1854.8 1871.0		2121_0(16/1/87) 1579_0(28/2/87)	
L	23 28	Feb 19	High	مما (23 28 19		19	SPAIN Madrid SE (50/12/65)	252.10	255,98	252.18	248,58	255,96(25/2/87)	100,83(8/1/88	
*	1.12 452.6	162.76	182.82 [25/2/87	117.7 (22)) 6	is is		433 ,152 358	828 769 398	841 743 495	SWEDEN Jacobson & P (61/12/86)	2571,11	£\$90,76	2878,82	2559,45	2672,78 (7:11)	729,57(28 <i>/</i> 1/9
										_	SWITZERLAND Swiss BankCpn(51/12/58)	550,6	558.3	558,1	676,5	625.5 (8/1/86)	497.2 (4/8/86
10			Feb Feb 24 23		Feb 20	Feb 19	15 tileb		S87		WORLD MS. Capital Intl. (1/1/70)		404,2	408,1	407,2	(408.1 (20/2/87)	249,8(25/1/8
	tals & Mink Composito	2,422.8" 2,447.2 2,483.5 2,		2,515.1	2,515.1 3,562.6	(19/2/87)	1,917.4 (5/B) 2,754.0 (17/2)		Saturda Rasa yalua ot sil). TSE (c).	JSE Gold-		

Tuesday, February 24, 1987

| Stocks | Closing | Tended | Price | 25.43m | 246 | Jupan Lice | 25.05m | 135 | Microbich Recoy led | 22.04m | 368 | Tokyo Gas | 20.42m | 180 |

reports n loss t quarter

currently expect North in retail demand for farm ent during 1987 to be at he same level as last year ustry demand for industrial ent to be somewhat higher." Mr Hanson said. The reduction in receivables and the end of the stoppage would allow Deere to raise production 45 per cent in the remaining three quarters of 1987.

Harnischfeger receives \$356m takeover bid

Stocks Cleaky Change Trained Prica on Day 9.18m 727 + 4 8.90m 452 +42 8.80m 164 - 1 7.82m 21576 + 11/16 onch

BY OUR FINANCIAL STAFF

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LONDON - Most Activ Stocks Theesday, February 24, 1987

BY OUR FINANCIAL STAFF

HARNISCHFEGER Industries, the Milwaukee-based mechanical engineering group, has received a \$358m takeover bid from a group led by Columbia Ventures, a Miamibased private investment group.

Columbia, which holds a 7.3 per manufacturing equipment through the \$175m purchase of Beloit of the US.

Columbia, which holds a 7.3 per manufacturing equipment through the \$175m purchase of Beloit of the US.

Arsenal Holdings, a subsidiary of the National Amusements theatre group, has revised its \$30n takeover offer for Viacom International, the US broadcasting and cable TV group.

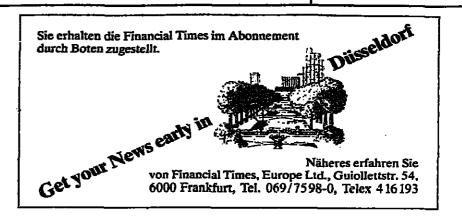
The cash element of the offer has up \$%.

succeed. the prior offer, which Harnischfeger, in which Kobe earlier this month.

The cash element of the offer has In a letter to Harnischieger's been raised from \$37.50 a share to board. Columbia said it would "continue the company in its present operating structure" if its bid were to is now valued at \$6 against \$7.25 in the prior offer, which was rejected



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LONDON (in pence unless otherwise indicated)	Met Bulletin 136 +16 Verkshite 230 + 7 Mill & Santh 275 +41 FALLS: PKnoll A 520 +35 Assoc News 498 -30	quarter to year ago. "We cu American
RISES AAH	Radio C A N/V 83 + 19 Britoil 167½ - 4½ e Radio Cly N/V 85 + 5 Enterpr Oil 186½ - 6½ e Rothmans 231 + 12 Meyer Intl. 346 - 10 e Royal Ins. 998 + 9 News Intl. £24% - ½ e Southend Stad 488 + 39 Shell Trans £10% - ½ e	equipment about the and indust equipment Mr Hanson receivables
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Domestic and foreign issues cast shadow

WALL STREET

WORRIES over international economic and domestic US political issues dampened Wall Street yesterday as prices edged cautiously ahead, writes Roderick Oram in

Bond prices rallied modestly, however, as lower energy prices and a firmer dollar helped ease fears about a pick up in the infla-

Political concerns revolved around the release tomorrow of the national side, stock markets contin-pared with 1 cent a year earlier. ued to weigh up the effects of lower

The Dow Jones industrial average closed up 6.74 points at 2,223.28. quarterly dividend to 12 cents. It moved in a narrow range all session apart from a late afternoon spurt which took it up nearly 12 points on the day before easing at

the close.

Broad market indices showed similar gains on the day with the Standard & Poor's 500 adding 0.50 of a point to 202.88, and the New York and American stock exchange composite indices gaining 0.26 to 161.30 and 1.02 to 317.35 respectiveindex was up 2.17 at 417.39.

NYSE volume dropped to 152.2m

from 170.4m on Monday with the number of advancing issues manag-ing to keep just ahead of those fall-

Among blue chips, American Express added \$% to \$69%, Eastman Kodak slipped 5% to \$77% trading ex-dividend, Merck advanced \$4% to \$152%, Philip Morris rose \$% to \$84%. AT&T edged up \$% to \$23% and IBM eased \$% to \$143%.

Oils were undermined by Opec's growing difficulties in trying to maintain production and pricing discipline. Exxon gave up \$1½ to \$78½, Chevron lost \$% to \$47½, Amoco fell \$1% to \$71%, Atlantic Richthough Texaco added \$¼ to \$34¼.

terest payment moratorium. Chase Manhattan added \$% to \$38%, Bankers Trust gained 51% to \$47% and Chemical edged ahead 5% to 546%. Some fell further, however, with Citicorp losing \$% to \$54, J.P. Morgan retreating \$% to \$44% and Manufacturers Hanover off \$1/2 to \$461/4.

On the takeover front, Rainier Bancorporation fell \$% to \$46% on 1.2m shares in the over-the-counter market. It agreed to a takeover offer from Security Pacific, down \$1% C\$34%. to \$38% through a swap of 1.3 Security Pacific shares for each Rainier

on more than 1.7m shares. The glass and kitchen equipment maker agreed to a \$32 a share (half cash, als and utilities.

15000

10000

Tokyo Nikkei

ishings. Harnishfeger gained \$½ to \$18%. The crane and machinery maker said it would consider a \$19 a share takeover offer from Columbia Ventures, a closely held Miami compa-

half paper) offer from Newell, up

Dresser Industries, off \$% to \$25% trading ex-dividend, and Litton Industries, up \$2 to \$86, as they pooled their oilfield service operations in a joint venture company.

Deere lost \$1/4 to \$29% after reporting a first-quarter loss of \$192.6m against a loss of \$28.8m a report by the Tower Commission on year earlier. Stone Container advthe Reagan Administration's role in anced \$2% to \$84% on fourth-quarthe Iran arms affair. On the inter- ter profits of \$1.41 a share com-

Bear Stearns added \$1/4 to \$211/4. It oil prices and Brazils' debt moratori announced third-quarter profits of um. 74 cents a share against 59 cents a year earlier and a 1 cent increase in

Other securities dealers were mixed. Salomon Inc. edged up \$\% to \$39, First Boston was off \$1/4 to \$49. Merrill Lynch added \$% to \$44, E. F. Hutton fell \$\% to \$39\% and Paine Webber rose \$% to \$36%.

The price of the 7.50 per cent benchmark Treasury long bond rose 1/10 of a point to 100% at which it yielded 7.48 per cent, the first time the yield had fallen below the 7.49 ly. The over-the-counter composite per cent mark seen at the Treasury's latest long bond auction almost

Mr Paul Volcker, chairman of the Federal Reserve Board, told Congress yesterday that preventing a temporary increase in inflation from developing into a widespread upsurge would be a "critical goal" for monetary policy.

"Neither the internal nor external setting permits thinking of trading off more inflation for more growth, he said, implying that the Fed might be willing to raise interest rates to curb inflation even if that meant stifling economic growth. Figures for January's durable

goods orders are due to be released field was off \$% to \$66% and Stan- today after a one-day delay because dard Oil dropped \$1 to \$54% al- government offices in Washington were closed by a snowstorm on A few banks recovered some of Monday. A downturn from Decemthe ground they lost on Friday and ber's levels are expected with a me-Monday in the wake of Brazil's in-dian estimate of 0.3 per cent.

CANADA

SOME STABILITY returned to to as investores digested the signif icance of the Brazil debt moves

Bank of Nova Scotia was the most active in early trading and shed CS% to C\$18% while Bank of Montreal was CS% cheaper at Carling O'Keefe was also busy.

adding CS% to C\$17% after Elders hare.
Anchor Hocking rose \$4% to \$31% for the group.

Anchor Hocking rose \$4% to \$31% for the group.

In Montreal, banks were still the industri-

weak, closely followed by industri-

Seoul makes swift foray to record

The Secul stock market hit a fresh peak yesterday as investors drew strength from the latest Bank of Korea figures which showed a current account surplus of \$622m for January, writes our Markets Staff in London.

The composite share index edged 1.93 points higher to close at a record 325.78 despite sustained profit-taking late in the session. The previous record, set during Saturday's half-day session, was

Turnover jumped to 44.2bn won (\$51.5m) compared with Monday's W38.3bn. Most of the buying concentrated on financial and electronics issues which have acted as the founda-tion of the market's current rally while blue chips Daishin Securities, which retreated W100 on Monday, recovered with a W51 advance to W3.681 while Kerea Long Term Credit Bank, which resisted most of the consolidation during the early part of last week, advanced a further W250 to W33,250. Samsung Electronics continued to find buyers as

strong demand pushed it W250 higher to W33,250. Samsung is viewed both domestically and abroad as the key to foreign participation in the Seoul mar-ket. Later this year, a \$20m Samsung Eurobond, currently trading at a huge premium in the Eurom-arkets, will be converted into shares of the group, thereby permitting overseas investors to trade di rectly in the market for the first time.

Overseas funds are currently channeled through a handful of locally-managed trusts, some domestic venture capital funds and the Korea Fund which is traded on the New York Stock Exchange

EUROPE

Investors remain wary despite firmer dollar

THE PREDOMINANT mood on European bourses yesterday was one of caution over exchange rates and the South American debt problem. The slight rise in the dollar provided a small note of optimism in generally thin trading.

Frankfurt was mainly lower in a

quiet session although the sharp losses of Monday were not repeated as the dollar firmed. The Commerzbank index was 9.2 lower at 1,715.0. Bank stocks were hit again by worries over Brazil's debt suspension, with Deutsche Bank down DM

11 at DM 635, Commerzbank DM 2.50 lower at DM 247.50 and Dresd-

ner off DM 4.80 at DM 335. In the chemical and pharmaceutical sector, Schering plunged DM 27.50 to DM 579 on foreign selling amid suggestions that its sales of the contraceptive pill might be hurt by Aids-linked demand for con-

Bayer added 80 pfg to DM 286 and Hoechst DM 2 to DM 246.50, but BASF eased 30 pfg to DM

Heavy machinery maker KHD reporting an operating loss for 1986. Battery maker Varta, which said eased DM 5 to DM 348. Bonds finished lower in a quiet steady at SFr 3,300.

session on light overseas selling. The Bundesbank sold DM 24.9m, worth of paper after buying DM 35.6m on Monday.

Net sales of West German bonds January compared with DM 1.6bn last year, the Bundesbank said.

and DM 17.1bn net sales in January cates ease SFr 20 to SFr 1,550. demand picking up for bank shares Unilever Fl 2 higher at Fl 507 and after their recent sharp falls but Royal Dutch down Fi 3.40 to Fi continued selling pressure on insur- 209.80 on increasing doubt over

LONDON

Portfolio buy programmes helped to reverse early losses in Lon-don despite the absence of insti-tutional buyers and concern over Opec's ability to police members' production and prices. The spec-tre of Brazilian debt problems also overhung the market.

Comments by Mrs Margaret Thatcher the Prime Minster on her wish for lower taxes and the healthy state of British industry offered some encouragement. The FT Ordinary index rose 2.3 to 1,559.2 while the FT-SE 100

gained 7.1 to 1,945.8. Gilts made good progress al-though volume was low. Details,

ers and some industrials. The Crédit Suisse stock index eased 0.8 to 526.2. Among banks, lifted by the more

stable dollar and expectations of was DM 1,50 off at DM 153.50 after good results for Union Bank tomorrow, Swiss Bank rose SFr 1 to SFr Battery maker Varta, which said 469, Union Bank gained SFr 60 to it expected satisfactory 1986 results, SFr 5,310 and Bank Leu added SFr 10 to SFr 3,460. Crédit Suisse was Winterthur Insurance, however,

lost SFr 175 to SFr 6,100. Foods group Nestle, which ex-

pects equal or better 1986 earnings, was unchanged at SFr 8,625, while hit a record high of DM 20.6bn in chemical group Sandoz, which is to pay SFr 2m to replace Rhine fish of net redemptions in December stocks, saw its participation certifi-Amsterdam finished mixed as the dollar stabilised. Internationals saw

SOUTH AFRICA

GOLD SHARES in Johannesburg lost part of Monday's gains, closing mainly lower on an easier bullion price and a high financial rand. Industrials were mixed to higher. In the gold sector, Buffelsfontein lost R1.25 to R77.25, Driefontein

R2.50 to R382.50.

(Against the US\$)

trend, as did most other mining stocks, with Gold Fields off 75 cents at R64. De Beers down 10 cents at R39.90 and Rustenburg Platinum 65 cents easier at R51.25

In industrials, Barlow Rand added 65 cents to R19.50 while AE&CI eased 25 cents to R16.25. The industrial index reached a new

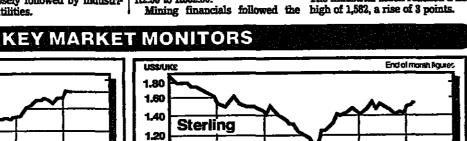
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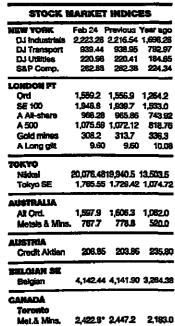
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R1.75 to R71.50 and Vasi Reefs



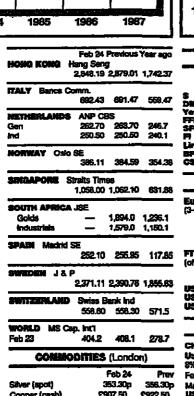


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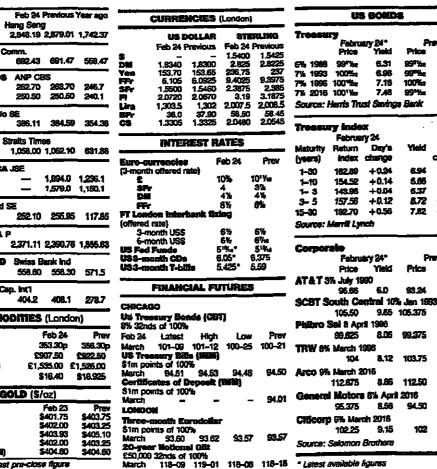
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Oil (Brent)

New York (April)



Philips, due to report tomorrow, firmed 40 cents to FI 47.50 and ABN among fragile banks was 50 cents up at FI 85.10 ahead of today's results. NMB, scheduled to release results tomorrow, held steady at Fl

Paris remained hesitant after the weekend meeting on economic strategy. Most of the gains were recorded by export stocks such as electronics and carmakers: Matra scored a FFr 108 advance to FFr 2,520 and Michelin jumped FFr 75 to FFr 2,950. Valeo, mauled by profit takers, rebounded to finish FFr 15 up at FFr 502. Lyonnaise des Eaux jumped FFr

80 to FFr 1,540 on news that it will take a major stake in the TV6 television channel. Hachette, which is submitting a new bid for control of TF-1 slipped FFr 20 to FFr 3,130.

Brussels was steady in light trading with banks mixed. Stockholm was lower in quiet trading as most institutions remained on the side-

Oslo continued to gain ground while Milan was dominated by profit-taking near the close. Madrid saw advances only among construction and steel is-

Institutions pour funds into large capitals

TOKYO

LARGE-CAPITAL stocks came back into favour in Tokyo vesterday and share prices closed sharply higher. writes Shigeo Nishiwaki of

Jiji Press.
The Nikkei average gained 135.98 from the previous day to 20,076.48. Trading was heavy at 1.32bn shares, compared with Monday's 495 to 408, with 112 issues un-

changed.
Institutional investors poured their massive surplus funds into large-capital steels, shipbuilding and chemicals, analysts said.

Nippon Steel once again topped the active list with 277.85m shares changing hands, compared with the previous day's 41.27m shares. The ssue rose Y20 to Y305.

Kobe Steel, second busiest issue with 172.09m shares traded, jumped Y35 to Y318. Mitsui Engineering and Shipbuilding, and Sumitomo Chemical surged Y21 and Y52 to Y260 and Y710, respectively. Mitsui Engineering was the third most ac-tive stock with 60.49m shares NTT surged again with a huge

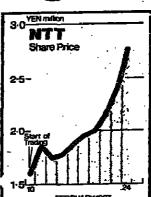
Y360,000 gain to a record Y2.76m and provided the catalyst for a teecommunications-led rally in power utilities and securities issues. Utilities performed well, with Tokyo Electric Power scoring a maxinum allowable daily rise of Y1,000 to Y8,580. Kansai Electric Power and Chubu Electric Power also reg-istered daily limit gains of Y500 each to Y4,520 and Y4,250. Tokyo

Y150 higher at Y1,180. Properties and railways attracted buying interest. Mitsui Real Estate rose Y80 to Y2,090, while Tobu Bailway and Tokyu Corp. closed Y20 and Y180 higher at Y1,060 and Y1,700 respectively.

Gas, with 20.42m shares, ended

Among financials, which were depressed on Monday by Brazil's reformed well recently showed the ported suspension of interest payments on its huge foreign debt, sec-urities houses drew large buy orders and the "big four" hit all-time

Other blue chips continued to be



weak, hit by small-lot selling. Matsushita Electric Industrial shed Y40 to Y1,900 on reports that it will suspend exports to the US of its IBMcompatible personal computers as its software infringes the US

group's copyright. cent government bonds.

The yield on the benchmark 89th bond, maturing in June 1996, fell to 4,625 per cent from Monday's 4,675

The 90th bond, falling due in July 1996, had been out of favour with its yield remaining around 0.4 per cent higher than the yield on the 89th

In the light of this yield gap, dealers and institutional investors bought the 90th bond, so that its yield ended at 5.015 per cent,

SINGAPORE

A SPELL of profit-taking after the recent surge in share prices took Singapore generally lower. The Straits Times industrial index fell 3.26 to 1,058.01 in thinner turnover of 40.9m shares compared with traded in special sales. Mining con-58.7m on Monday.

Banks and blue chips that per-

quality stocks still found institutional demand.

Among banks, DBS dropped 40 cents to S\$11.80 and OCBC was 30 cents lower at S\$10.10.

HONG KONG

SPECULATION about corporate moves again dominated trading in Hong Kong, with heavy profit-tak-ing in the Cheung Kong group of companies partly offset by late buy $(\nabla_{\mathcal{L}},z)$

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ing in the Jardine group.

The Hang Seng index finished 30.82 lower at 2,848.19 after dropping by as much as 60 points earlier in the session after two days of sharp rises. Turnover remained

Cheung Kong lost HK\$1.50 to HK\$45.50, while Hutchison Whampoa was down HK\$2.00 to HK\$54.00 and Hongkong Electric fell 40 cents to HK\$15.70 after all three reached peaks on Monday.

After the market closed, Cheung Kong associate Green Island Cement announced a reorganisation of its share capital to buy privately-In the bond market, trading cenheld China Cement. Green Island tred on the 89th and 90th 5.1 per was trading at HK\$18.40 before it was suspended on Monday. The market picked up on specula-

tion of a reorganisation of the Jardine group, with Jardine Matheson gaining 70 cents to HK\$25.70. Jardine reorganisation,

AUSTRALIA

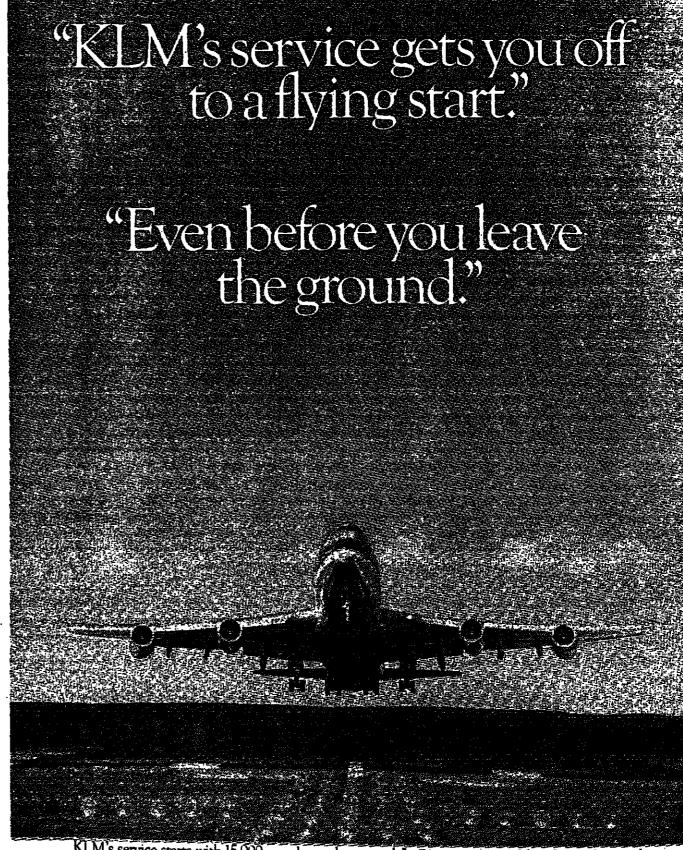
THE PALL in the bullion price and Wall Street's decline encouraged profit-taking in Sydney which drove the All Ordinaries index 8.5 lower to 1,597.9 and the gold index 27.4 down

However, key industrial shares rose against the trend in continued heavy trading.

Fertiliser group AFL Holdings was the leading active, losing 5 cents to A\$1.75 on 19.8m shares cern CRA, which dropped 24 cents to A\$6.80, later said it had sold its 19 per cent stake in AFL.

BHP finished 20 cents lower at AS10.25 while Elders IXI, eased 2 cents to AS4.98 after its bid for Carling of Canada. Aids-related stocks again per-

formed actively.



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